

## DOCUMENT RESUME

ED 213 082

EA 014 375

**AUTHOR** Montoya, Renee Marie; Whiteneck, Gale G.  
**TITLE** Minorities, the Poor and School Finance Reform. Vol. 6: The Impact of Colorado's 1973 School Finance Reform on Poor and Minority Children.  
**INSTITUTION** Intercultural Development Research Association, San Antonio, Tex.  
**SPONS AGENCY** National Inst. of Education (DHEW), Washington, D.C.  
**PUB DATE** Jul 79  
**CONTRACT** 400-76-0136  
**NOTE** 92p.; For related documents, see EA 014 370-378. Figures 4-6 may not reproduce due to illegibility of original document.  
**AVAILABLE FROM** Intercultural Development Research Association, 5835 Callaghan, Suite 350, San Antonio, TX 78228.  
**EDRS PRICE** MF01 Plus Postage. PC Not Available from EDRS.  
**DESCRIPTORS** Disadvantaged Youth; \*Economically Disadvantaged; Elementary Secondary Education; Equalization Aid; \*Ethnic Distribution; Expenditure Per Student; Federal Aid; \*Finance Reform; Income; Maps; \*Minority Group Children; Rural Urban Differences; \*School District Spending; School Funds; State Aid; Tables (Data); Tax Effort  
**IDENTIFIERS** \*Colorado; \*Equity (Education); Fiscal Neutrality; School District Wealth

**ABSTRACT**

As volume six of a nine-volume, six-state study of the impact of school finance reform on minorities and the poor, this report examines the history, status, and effects of finance reforms in Colorado. The authors chronicle Colorado's school financing methods since 1936 and discuss the Colorado School Finance Act of 1973. They then describe disparities in the state's school finance system, school district wealth inequalities, the concentration of Colorado's poor and minority students in rural and central city districts, and the relationship of ethnic and income group distribution to school financing. Using correlation coefficients, regression analysis, percentiles, and averages, the authors assess the effects of the 1973 reform law. Among their conclusions are that the law caused a slight reduction in revenue and spending disparities but did not change the patterns of school financing for minority and poor students in rural and urban areas. (RW)

\*\*\*\*\*  
\* Reproductions supplied by EDRS are the best that can be made \*  
\* from the original document. \*  
\*\*\*\*\*

X This document has been reproduced as  
received from the person or organization  
originating it.

☐ Minor changes have been made to improve  
reproduction quality.

• Points of view or opinions stated in this docu-  
ment do not necessarily represent official I/E  
position or policy.

# MINORITIES, THE POOR AND SCHOOL FINANCE REFORM

## VOL. 6: THE IMPACT OF COLORADO'S 1973 SCHOOL FINANCE REFORM ON POOR AND MINORITY CHILDREN

Renee Marie Montoya and Gale G. Whiteneck



Robert Brischetto, General Editor

A Report Submitted to the National Institute of Education  
U.S. Department of Health, Education and Welfare  
Contract No. 400-76-0136

JULY, 1979

EA 014 375



INTERCULTURAL DEVELOPMENT RESEARCH ASSOCIATION

## MINORITIES, THE POOR AND SCHOOL FINANCE REFORM

Robert Brischetto, General Editor

### VOLUMES

1. An Impact Study of Six States  
Robert Brischetto and David Vaughan
2. The Impact of Texas' 1975 School Finance Reform on Poor and Minority Children  
Robert Brischetto
3. The Impact of California's 1972 School Finance Reform on Poor and Minority Children  
Robert Singleton, Joseph O. Garcia and Ruben W. Espinosa
4. The Impact of Florida's 1973 School Finance Reform on Poor and Minority Children  
David Vaughan
5. The Impact of New Mexico's 1974 School Finance Reform on Poor and Minority Children  
David Vaughan with the assistance of Elizabeth Vaughan
6. The Impact of Colorado's 1973 School Finance Reform on Poor and Minority Children  
Renee Marie Montoya and Gale G. Whiteneck
7. Statistical Note on a New Case for Discrimination in Texas School Finance  
Robert Brischetto
8. A History of School Finance Reform Litigation and the Interests of Urban, Poor and Minority Children  
Paul R. Dimond
9. Summary and Conclusions  
Robert Brischetto

The work upon which this publication is based was performed pursuant to Contract No. 400-76-0136 of the National Institute of Education. It does not, however, necessarily reflect the views of that agency.

# **MINORITIES, THE POOR AND SCHOOL FINANCE REFORM**

## **VOL. 6: THE IMPACT OF COLORADO'S 1973 SCHOOL FINANCE REFORM ON POOR AND MINORITY CHILDREN**

**Renee Marie Montoya and Gale G. Whiteneck**

**Robert Brischetto, General Editor**

**A Report Submitted to the National Institute of Education**

**U.S. Department of Health, Education and Welfare**

**Contract No. 400-76-0136**

**JULY, 1979**

**Copyright © Intercultural Development Research Association 1979  
5835 Callaghan, Suite 350  
San Antonio, Texas 78228**

# CONTENTS

|                                                                                                 | Page |
|-------------------------------------------------------------------------------------------------|------|
| LIST OF FIGURES . . . . .                                                                       | iv   |
| LIST OF TABLES . . . . .                                                                        | v    |
| PREFACE. . . . .                                                                                | viii |
| ACKNOWLEDGEMENTS . . . . .                                                                      | x    |
| HISTORY OF SCHOOL FINANCE IN COLORADO. . . . .                                                  | 1    |
| THE COLORADO SCHOOL FINANCE ACT OF 1973. . . . .                                                | 6    |
| DESCRIPTION OF DISPARITIES IN THE SCHOOL FINANCE<br>SYSTEM . . . . .                            | 13   |
| INEQUALITIES BASED ON DISTRICT WEALTH. . . . .                                                  | 21   |
| DISTRIBUTION OF ETHNIC AND INCOME GROUPS . . . . .                                              | 26   |
| RELATIONSHIP OF ETHNICITY AND INCOME TO SCHOOL<br>FINANCE MEASURES . . . . .                    | 30   |
| Statewide Group Means Comparison                                                                |      |
| Disparities by Ethnic and Poverty Concentration                                                 |      |
| SUMMARY OF CHANGES IN SCHOOL FINANCE MEASURES BEFORE<br>AND AFTER THE 1973 LEGISLATION. . . . . | 67   |
| CONCLUSIONS. . . . .                                                                            | 73   |

# LIST OF FIGURES

|                                                                                                                                                                              | Page |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 1 The Distribution of Colorado Student (Histogram) and School District (Numbers in Parentheses) by the Equalized Valuation Per Pupil of the Districts. . . . .               | 15   |
| 2 The Distribution of Colorado Students (Histogram) and School Districts (Numbers in Parentheses) by the Local Revenue Per Pupil Received by the Districts . . . . .         | 16   |
| The Distribution of Colorado Students (Histogram) and School Districts (Numbers in Parentheses) by the Local and State Revenue Per Pupil Received by the Districts . . . . . | 17   |
| 4 Proportion of Chicano Pupils in Colorado Public Schools by County - 1975 . . . . .                                                                                         | 31   |
| 5 Proportion of Minority Pupils in Colorado Public Schools by County - 1975 . . . . .                                                                                        | 32   |
| 6 Proportion of Poor Pupils in Colorado Public Schools by County - 1975. . . . .                                                                                             | 33   |

# LIST OF TABLES

|                                                                                                                                                                                                 | Page  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 1 Characteristics of Urban (Central City), Suburban, and Non-Metropolitan Colorado School Districts: 1973, 1974, 1975. . . . .                                                                  | 19-20 |
| 2 Average Tax Rate and State and Local Revenue by Categories of District Wealth for the School Districts of Colorado: 1973, 1974, 1975. . .                                                     | 22    |
| 3 Average Expenditures and Federal and Total Revenue by Categories of District wealth for the school districts of Colorado: 1973, 1974, 1975. . . . .                                           | 23    |
| 4 Colorado School Districts with the Most Chicano, Black, Poor, and Anglo Pupils, 1975 . . . . .                                                                                                | 27    |
| 5 The Distribution of Ethnic and Poor Pupils Among School Districts of Different Ethnic and Poor Compositions . . . . .                                                                         | 28    |
| 6 Distribution of Each Ethnic Group in Colorado School Districts Ranked by Equalized Valuation Per Pupil (ADAE), 1975 . . . . .                                                                 | 34    |
| 7 Distribution of Poverty/Wealth Groups in Colorado School Districts Ranked by Equalized Valuation Per Pupil (ADAE), 1975. . . . .                                                              | 35    |
| 8 Average Equalized Valuation Per Pupil and Equalized Tax Rate for Geographic, Ethnic, and Poverty Groups in Colorado School Districts: 1973, 1974, and 1975. . . . .                           | 38    |
| 9 Changes in Mean Equalized Valuation Per Pupil and Equalized Tax Rate for Ethnic Groups Statewide and by Community Type in Colorado School Districts, 1973 to 1975. . . . .                    | 39    |
| 10 Changes in Mean Equalized Valuation Per Pupil and Equalized Tax Rates for Poverty and Non-Poverty Groups Statewide and by Community Type in Colorado School Districts, 1973 to 1975. . . . . | 41    |
| 11 Local and State Revenue Per Pupil for Geographic, Ethnic, and Poverty Groups in Colorado School Districts: 1973, 1974, and 1975. . . . .                                                     | 43    |
| 12 Changes in Mean Local & State Revenue Per Pupil for Ethnic Groups Statewide and by Community Type in Colorado School Districts, 1973 to 1975                                                 | 44    |

# LIST OF TABLES (Continued)

|                                                                                                                                                                        | Page |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 13 Changes in Mean Local and State Revenue Per Pupil for the Poor and Non-Poor Statewide and by Community Type in Colorado School Districts: 1973 to 1975. . . . .     | 45   |
| 14 Federal and Total Revenue Per Pupil for Geographic, Ethnic, and Poverty Groups in Colorado School Districts: 1973, 1974, and 1975. . . . .                          | 49   |
| 15 Changes in Mean Federal and Total Revenues Per Pupil for Ethnic Groups Statewide and by Community Type in Colorado School Districts, 1973-1975 . . . . .            | 50   |
| 16 Changes in Mean Federal and Total Revenue Per Pupil for the Poor and Non-Poor Statewide and by Community Type in Colorado School Districts: 1973 to 1975. . . . .   | 52   |
| 17 Average Local Resources and State and Local Revenue Per Pupil by Categories of Percent Chicano Enrollment, Colorado School Districts, 1973, 1974, and 1975. . . . . | 54   |
| 18 Average Federal and Total Revenue and Expenditures Per Pupil by Categories of Percent Chicano Enrollment, Colorado School Districts, 1973, 1974, 1975. . . . .      | 56   |
| 19 Average Local Resources and State and Local Revenue Per Pupil by Categories of Percent Minority Enrollment, Colorado School Districts, 1973, 1974, 1975. . . . .    | 57   |
| 20 Average Federal and Total Revenue and Expenditures Per Pupil by Categories of Percent Minority Enrollment, Colorado School Districts, 1973, 1974, 1975. . . . .     | 59   |
| 21 Average Local Resources and State and Local Revenue Per Pupil by Categories of Percent Poor Enrollment, Colorado School Districts, 1973, 1974, 1975. . . . .        | 60   |
| 22 Average Federal and Total Revenue and Expenditures Per Pupil by Categories of Percent Poor Enrollment, Colorado School Districts, 1973, 1974, 1975. . . . .         | 62   |

# LIST OF TABLES (Continued)

|                                                                                                                                                                                                                                                              | Page |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 23    Pearson Correlations Relating School Finance Variables with Percent Chicano, Minority, and Poor Weighted by ADAE (and Excluding Denver in Parentheses) for Colorado School Districts: 1973, 1974, 1975. . . . .                                        | 64   |
| 24    Multiple Stepwise Regression Analysis Weighted by ADAE (and Unweighted in Parentheses) of Local and State Revenue as Predicted by District Wealth, Ethnic and Poverty Composition, and Locale for Colorado School Districts: 1973, 1974, 1975. . . . . | 66   |
| 25    Percent of Total Revenue Received from Local, State, and Federal Sources for Colorado School Districts: 1973, 1974, 1975 . . . . .                                                                                                                     | 68   |
| 26    Distribution of Ethnic and Poor Pupils by Quintiles of State and Local Revenue Per Pupil . . . . .                                                                                                                                                     | 71   |

## PREFACE

The Intercultural Development Research Association (IDRA) with support from the National Institute of Education (Contract No. 400-76-0136) undertook a study of the impact of recent school finance reforms on poor and minority students in six states-- California, Colorado, Florida, Michigan, New Mexico and Texas. The objective of the study was to track the distribution of dollars for education among districts with pupils of different ethnic and income groups from before to after "reform" legislation was implemented. The ultimate goal of this research was to inform policy makers on the state and federal levels about whether and to what extent legislative reforms of the first half of the 1970's have redistributed education resources in a manner which is more equitable for poor and minority students so that future policies might be measured by such a standard of equity.

The research, while sponsored by IDRA of San Antonio, was a cooperative effort with several school finance study projects originated by the National Urban Coalition (NUC) of Washington, D.C. Robert Bothwell, former director of the Education Finance Division of NUC, proposed this cooperative research effort. The purpose of the joint research effort was not only to study the impact of school finance reforms on poor and minority pupils, but also to provide the school finance reform projects with the data and statistical tools necessary to continue to monitor school finance legislation in their respective states well beyond the termination of this study.

The findings of the study are reported in nine volumes. This report (Volume 6) details the findings on the impact of the Colorado Public School Finance Act of 1973 on poor and minority children. The authors, Renee Montoya and Gale White-neck, are staff researchers with the Colorado School Finance Reform Project of the Chicano Education Project, Western Service Systems, of Lakewood Colorado. Jackee Cox of the IDRA staff assisted in editing the report.

The effects of the Colorado reform are compared with those of five other states in Volume 1: An Impact Study of Six States.

Volumes 2-5 are individual state reports on Texas, California, Florida and New Mexico, respectively. Each report gives an historical overview of school finance legislation, a detailed description of the report, and an in-depth analysis of the outcomes of the school finance funding system before and after the reform was implemented.

Volume 7: A Statistical Note on a New Case for Discrimination in Texas School Finance presents the methodology which might be adopted in court arguments showing wealth discrimination as it impinges upon poor and minority children.

Volume 8: A History of School Finance Reform Litigation and the Interests of Urban, Poor and Minority Children gives an overview of school finance reform litigation in the context of other educational reform litigation efforts in behalf of poor and minority children.

Volume 9: Summary and Conclusions condenses the major findings from the six states study and discusses their implications for future legislative reforms.

Robert Brischetto  
Study Director  
ix July, 1979

## ACKNOWLEDGEMENTS

This research effort was initiated by Dr. Robert Brischetto, Principal Investigator of the National Institute of Education School Finance Study of the Intercultural Development Research Association, San Antonio, Texas. The analysis of the Colorado School Finance data, which this report contains, was subcontracted to the Colorado School Finance Reform Project, a project of the Chicano Education Project, Western Service Systems, Inc.

Ms. Renee Marie Montoya was responsible for the overall direction of the research and the collection of Colorado School Finance data. Mr. Gale Whiteneck, a research consultant to the project, performed the computer work for the data analysis. Ms. Montoya and Mr. Whiteneck were primarily responsible for the preparation of this report.

We wish to thank Ms. Carolyn Carrasco, Dr. Dick Murphy, Dr. Allan Odden, and Dr. Robert Brischetto for their aid in securing data and their assistance in preparing and reviewing various elements of the research product.

We also wish to express our appreciation to countless parents for their untiring interest in their children's education, without whose support a study such as this would be meaningless.

## HISTORY OF SCHOOL FINANCE IN COLORADO

The legal foundation for the Colorado public schools is found in Article IX, Section 2 of the Colorado Constitution. It mandates the establishment and maintenance of a ". . . thorough and uniform system of free public schools . . ."

Prior to 1937, the state involvement in funding education was minimal. Early legislation had provided for the funding of schools from local property taxes based on assessed valuation to be levied by local boards of education. The state's only activity in helping to pay for schools was through a Public School Income Fund, which provided disbursements to counties on the basis of the number of school-aged children residing within a county. Monies for the Public School Income Fund came from the sale of school lands granted to the state by the U.S. Congress. The first distribution of 1879 was \$7,041, or 26 cents per child.

In 1936, the General Assembly appropriated \$500 for a test court case to determine whether the Colorado State Constitution would permit allocation of state funds to school districts. In 1937, the State Supreme Court answered this question in Wilmore v. Annear, which held that the establishment and maintenance of the public schools is a state responsibility.<sup>2</sup>

In 1943 the Colorado General Assembly adopted the Minimum Educational Program Act, whereby a state school equalization fund was created to aid school districts. Funding was based on classroom units. State money for the act was derived from a state

income tax. The county property tax supplied the local revenue from a county public school fund. The act provided for minimum expenditure levels of \$1,000 per elementary school classroom unit, and \$1,333 per high school classroom unit. This act was a minimum state equalization program in that the state made up the difference between what the local school district could raise and the amount required for the minimum classroom expenditure levels. No limitation in the act prevented school districts from raising local revenues in excess of the minimum program requirements.

In 1952, the Public School Finance Act was passed by the General Assembly. Funding was still based on classroom units. The purpose of the act was to ensure the availability of a "foundation program" in each district.<sup>3</sup> The local district share came from a county property tax. State monies came from General Assembly appropriations and the Public School Income Fund. A minimum expenditure level of \$2,625 per classroom was established. Districts were permitted to exceed this level. This program was another state attempt to equalize school district revenue-raising capabilities at a minimum level.

The 1957 Public School Foundation Act continued funding on the basis of classroom units. The local school districts derived their monies from the property tax levying the required state amount. State money sources remained unchanged. The minimum foundation program increased to \$5,200 per classroom. Those school districts which had the revenue-generating ability

and the desire to do so could spend beyond the minimum level.

With passage of the Public School Foundation Act of 1962, the Legislature added a second measure of ability to pay. Both assessed valuation and adjusted gross income by county were used in computing aid entitlements. Funding was still awarded by classroom unit, local money was still raised through the county property tax, and all counties were required to levy an amount necessary to raise \$200. The minimum expenditure level per classroom was retained at \$5,200. Mineral leasing revenues were added to the state revenue sources.

The 1962 act was interesting in that it appears that the Legislature was beginning to look at individual district circumstances and to adopt funding formulas to address their problems. For example, school districts which experienced a 7% growth over the previous year were allowed additional classroom units. The act also provided for an extra \$200 from a state contingency reserve for those school districts with an adjusted gross income of less than \$100,000.

The Public School Foundation Law enacted in 1969 contained the following provisions:

1. For the first time since 1876, county tax funds were eliminated as a source of local funding. All required local revenues were to be raised by the school districts themselves.

2. The classroom unit system of funding was discarded in favor of funding for each pupil in average daily attendance (ADA). The foundation guaranteed \$460 per ADA, with a required

local effort of \$250 per pupil or the yield from a 17 mill local levy, whichever was less.

3. Property-rich districts were required to provide a higher level of local effort. The local share for districts which could raise \$250 at a tax rate of less than 14 mills was set at \$280 per ADA. Districts that could raise \$280 at a local tax rate of less than 11.5 mills were required to raise a local share of \$300. Districts that could raise \$300 at a tax rate of less than 10 mills were required to contribute a local share of \$380 per ADA.

4. Regardless of wealth, all school districts were guaranteed a minimum of \$60 per ADA from the state. The "minimum guarantee" provision of the 1973 reform legislation was a modified carry-over of this guarantee provision of the 1969 law.

5. District spending was limited to a six percent increase over prior year general fund expenditure budgets. School districts could, however, exceed that limitation by approval of local voters. The limitation on local revenues with override provisions was the precursor of the Authorized Revenue Base adopted in the 1973 reform. The six percent ceiling had the effect of freezing the pattern of expenditure disparities among school districts prior to the passage of the 1969 law. But as general levels of expenditures increased, absolute dollar discrepancies between districts also increased.

6. "Bonus pupils" were awarded for small schools. Elementary schools with ADA of less than 150 and secondary schools with ADA of less than 200 which were at least 20 miles from

from another school were awarded bonus pupil funds according to a formula which amounted to a 20 percent increase at the lowest level and decreased to zero at the highest level.

7. Categorical aid was provided for handicapped children, vocational education, and transportation.

## THE COLORADO SCHOOL FINANCE ACT OF 1973

The early 1970's were active years in school finance litigation. The public school finance systems of California, New Jersey, Michigan and others were ruled unconstitutional by the courts. Colorado's system was much like the California system.

In August of 1971 the California Supreme Court ruled, in Serrano v. Priest, that the school finance system in that state was unconstitutional. This case established legal authority for challenging gross disparities in per pupil expenditures which result from a heavy reliance on local property taxes to fund a state's schools. The court ruled that a school financing system which made the quality of a child's education a function of a school district's taxable wealth was unconstitutional.

Four days after this well-publicized decision, the Allen v. County of Otero case, modeled on the Serrano decision, was filed in Colorado. The plaintiffs in this action were parents and property owners who asserted that the Colorado Public School Foundation Act of 1969 was unconstitutional because:

(1) taxpayers in rich districts paid lower taxes while raising more money for schools than taxpayers in poor districts who paid proportionately higher taxes to raise less revenue; (2) the quality of a child's education was dependent upon the property wealth of the school district in which she or he lived; and therefore, that (3) the Act failed to comply with Colora-

do's constitutional mandate that the school system be "thorough and uniform" throughout the state. This case was never brought to trial.

The Serrano decision inspired legislative activity which sought to remedy the legal defects of the 1969 Act. A 1972 interim study committee examination of school finance resulted in the enactment of the School Finance Act of 1973. In April of 1973 the Otero case was dismissed for lack of progress, as the plaintiffs apparently believed the new legislation would cure the wrongs about which they were complaining.

The Colorado Public School Finance Act of 1973 was regarded nationally as a major piece of reform legislation. The intent of the legislation was to (1) provide property tax relief through an increase of state monies for education, (2) reduce the impact of property wealth disparities through a state equalization program, and (3) control increases in educational spending through the authorized revenue base. This and other research demonstrates that the goals of the 1973 Act were partially met. Problems, however, remain.

The Act resulted in a significant shift toward greater state financing of education with a concomitant shift away from reliance on local property taxation. The level of non-categorical state financing was increased to \$278 million, adding \$117 million in new money and increasing the state share of total revenues from 28% in 1973 to 46% in 1975.

The 1973 Colorado school finance system is designed to guarantee a specified number of dollars per ADA per mill levied,

with a minimum amount per pupil per mill of state aid being guaranteed even for districts where local revenues per mill levied exceeded the guaranteed yield. In 1975-76, the guaranteed yield, minimum guarantees and other provisions of the law were as follows:

1. Each district was guaranteed \$29.62 per pupil for each mill of local tax levied. The state provided the difference between the guaranteed yield and the amount per mill raised through local taxes. The effect of this provision for the 1975-76 school year was to guarantee each school district the equivalent of a local assessed valuation of \$29,620 per ADA.

2. Districts which could raise more than \$29.62 per pupil per mill of local effort were protected by "minimum guarantee" provisions which gave state aid of at least \$10.35 per pupil per mill levied, regardless of the wealth of the district. The per pupil per mill guarantee for Denver was 15 percent higher than for the rest of the state.

3. The authorized revenue base section of the 1973 legislation was designed to control educational spending by limiting each district's yearly increase in combined local and state equalization revenues to a fixed percentage increase over prior year expenditures. Allowable yearly increases were set on a graduated scale, with low-spending districts being allowed to increase by up to 12 percent, while increases for high-spending districts were limited to 7 percent per year.

However, the legislation gave school districts two mecha-

nisms for exceeding the authorized revenue base: (1) special approval of the State School District Budget Review Board; or (2) approval of the local electorate. If approval for the budget override is granted, the additional money must be raised entirely through local property tax increases, without any matching state equalization funding during the first year.<sup>4</sup>

4. "Bonus pupil" provisions are continued in the same form as under the 1969 law.

5. The major categorical aid programs and their 1975-76 levels of funding were as follows:

a. The state pays up to 80 percent of the program costs for handicapped children within constraints of appropriated funds. The \$25 million allocation for 1975-76 represented a 400 percent increase over 1971-72 state funding.

b. Vocational education programs are reimbursed by the state at 50 percent of program costs. The \$10 million allocation for 1975-76 was 50 percent higher than in 1971-72.

c. Bilingual-bicultural education program excess costs are 100 percent state-funded in grades K through 3. This program did not exist in 1971-72.

d. Transportation costs are funded by the state either at the rate of \$.24 per bus mile, or by formula allocation of up to 90 percent of total transportation costs in districts where transportation costs exceed 3 percent of the district's total operating budget.

There are some inherent problems with Colorado's guaranteed yield program. Some districts have the ability to raise

much more than the amount per mill which the state guarantees. Furthermore, the minimum guarantee provision provides that all districts, regardless of wealth, will receive at least \$10.85 per pupil for every mill which they raise. The notion that an equalization plan must include aid for all school districts, regardless of wealth unfortunately permeates school financing schemes. Minimum guarantees serve to ensure that true equalization will not occur, since even the wealthiest district will always receive additional state money.

Another complicating factor which limits the equalizing potential of the 1973 legislation is the variability in property assessment practices across the state. While the statutes dictate that property be assessed at 30% of its market value, some counties assess properties at less than half this rate. The school finance act distributes state equalization funds on the basis of assessed valuations despite the differences in assessment rates from district to district. Districts which underassess thus receive more state funds than they would if proper assessments were made. To correct for the distortions of underassessment, the research in this paper is based on equalized assessments. Sales ratio information was used to adjust valuations to their legal level.<sup>5</sup>

Two criteria are appropriate for analyzing the degree to which school finance legislation equalizes the effect of property wealth disparities: (1) fiscal neutrality and (2) equal expenditures per pupil. Fiscal neutrality (or taxpayer equity) as used here, occurs when one mill of property

tax results in the same revenue per pupil in all districts, regardless of their wealth. The 1973 Colorado legislation employed a tax power equalizing formula in the provision that guarantees districts a tax power of \$31.92 per pupil per mill (in 1977). The minimum guarantee provision (which ensures wealthy districts state funding above the \$31.92 level) and the unequal property assessment procedures limit the tax power equalizing potential of the legislation. Nevertheless, the 1973 Act may be credited with bringing a relatively high degree of fiscal neutrality to a majority of the districts.

The second criterion for judging the wealth equalizing character of school finance legislation--equal expenditures per pupil--is the focus of analysis in the present report. And, as will be demonstrated in the next section, it is on this criterion that the 1973 Colorado legislation falls far short.

The guaranteed yield provisions of the 1973 law were quite effective in equalizing tax rates, but the authorized revenue base provisions did little to close the revenue gap between low and high-revenue districts. Although low-revenue districts were permitted a 12 percent increase in their revenue base, while high-revenue districts were only permitted a 7 percent increase, the 5 percent differential was not enough to change the pattern of existing revenue disparities. Furthermore, the poorest districts have not used the override provisions enough to bring them significant increases in revenue and spending.

For purposes of the present research we will examine the

extent to which minority and poor children have benefitted from the reform. The question which ultimately must be answered for Colorado and other states with similar systems is: To what extent does a power-equalizing approach designed to deliver equity to taxpayers also achieve equity for minority and poor pupils?

To summarize, the Colorado School Finance Act of 1973 has greatly increased the state contribution to education and done much to provide fiscal neutrality. But, as the data of the next section will show, the Act did not produce a substantial reduction of disparities in expenditures per pupil. The authorized revenue base provision has locked school districts into their previous levels of revenue. The relative fiscal neutrality of the 1973 Act has not given low-wealth districts the freedom to choose a level of tax effort which will dramatically increase their revenue. Instead, their mill rates are directly limited by their authorized revenue bases. The 1973 legislation has probably done more to provide property tax relief than to equalize expenditures per pupil.

## DESCRIPTION OF DISPARITIES IN THE SCHOOL FINANCE SYSTEM

Some of the data reported in this paper were taken from Official Colorado Department of Education reports. Most of the data were compiled by the Chicano Education Project, but a portion of the 1974 data was provided by the Education Commission of the States. The data bank consists of revenue information by all major sources, expenditure data by all major classifications, and demographic and pupil related information. Data were collected for the years 1973, 1974 and 1975.

There are 181 school districts in Colorado, with a total number of pupils in average daily attendance of 529,547 in 1975-76. Average daily attendance within districts range from 28 to 72,973 pupils, with a mean attendance of 2,926. Eighty-three percent of the districts have pupil enrollments below this mean. Sixty-three percent of the districts have fewer than 1,000 pupils, with most of the low-ADA districts located in rural areas. Two districts have approximately 72,000 pupils: an urban district (Denver County), and a suburban district (Jefferson County). These two districts comprise 27% of the total student population in the state.

The primary ethnic groups in the state are Chicano, Black and Anglo. Indian and Asian pupils represent less than 1% of the total pupil population and will not be considered separately in this report. When the variable listed is "minority", all groups except Anglo are included. The Chicano enrollment is

about 15% of the total pupil population, Black enrollment about 4%, and the Anglo enrollment about 80% of the total. On the Orshanski index of poverty, 12% of the school age population are below poverty.

Figure 1 illustrates the disparities in property wealth in the state. The wealthiest district has an equalized valuation per pupil almost 50 times greater than the least wealthy district. In 1975, eighty percent of the students were enrolled in districts with equalized property values of less than \$32,500 per pupil.

Because local revenue is derived from property wealth, the distribution of local revenue illustrated in Figure 2 is quite similar to the property wealth distribution. The district with the highest revenue has almost 25 times that of the lowest district. The majority of the pupils are in districts raising from \$300 to \$1,300 per pupil in local revenue. This represents a \$1,000 difference, with some districts raising over four times the local revenue of other districts.

The histogram in Figure 3 indicates the distribution after state equalization aid and state categorical aid have been added to local revenue. Although the distribution is not as varied, the highest revenue district still has almost 5 times as much as the lowest revenue district. The range of revenue for most pupils (\$900 to \$1,800) is still a two-fold difference.

Ability to raise local revenue also depends on tax effort. In Colorado, equalized tax rates range from 48 mills to 7 mills, indicating that some districts are taxing themselves almost

FIGURE 1

THE DISTRIBUTION OF COLORADO STUDENTS (HISTOGRAM) AND SCHOOL DISTRICTS  
(NUMBERS IN PARENTHESES) BY THE EQUALIZED VALUATION PER PUPIL OF THE DISTRICTS

Colorado Statistics: Equalized Valuation per Pupil (1975)

State mean = \$ 21,716  
median = 17,680  
Standard deviation = 13,511  
minimum = 3,781  
maximum = 177,011

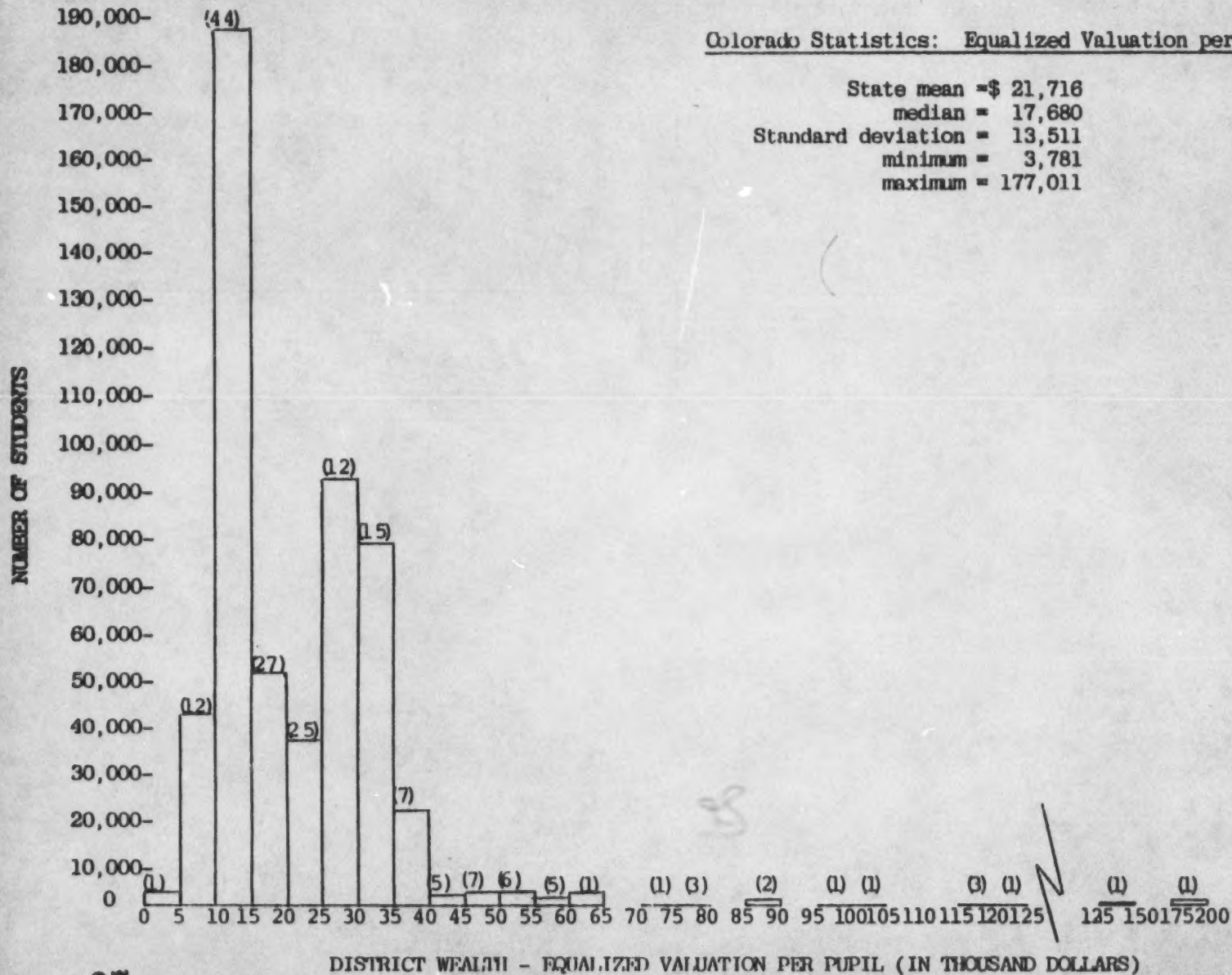


FIGURE 2

THE DISTRIBUTION OF COLORADO STUDENTS (HISTOGRAM) AND SCHOOL DISTRICTS  
(NUMBERS IN PARENTHESES) BY THE LOCAL REVENUE PER PUPIL RECEIVED BY THE DISTRICTS

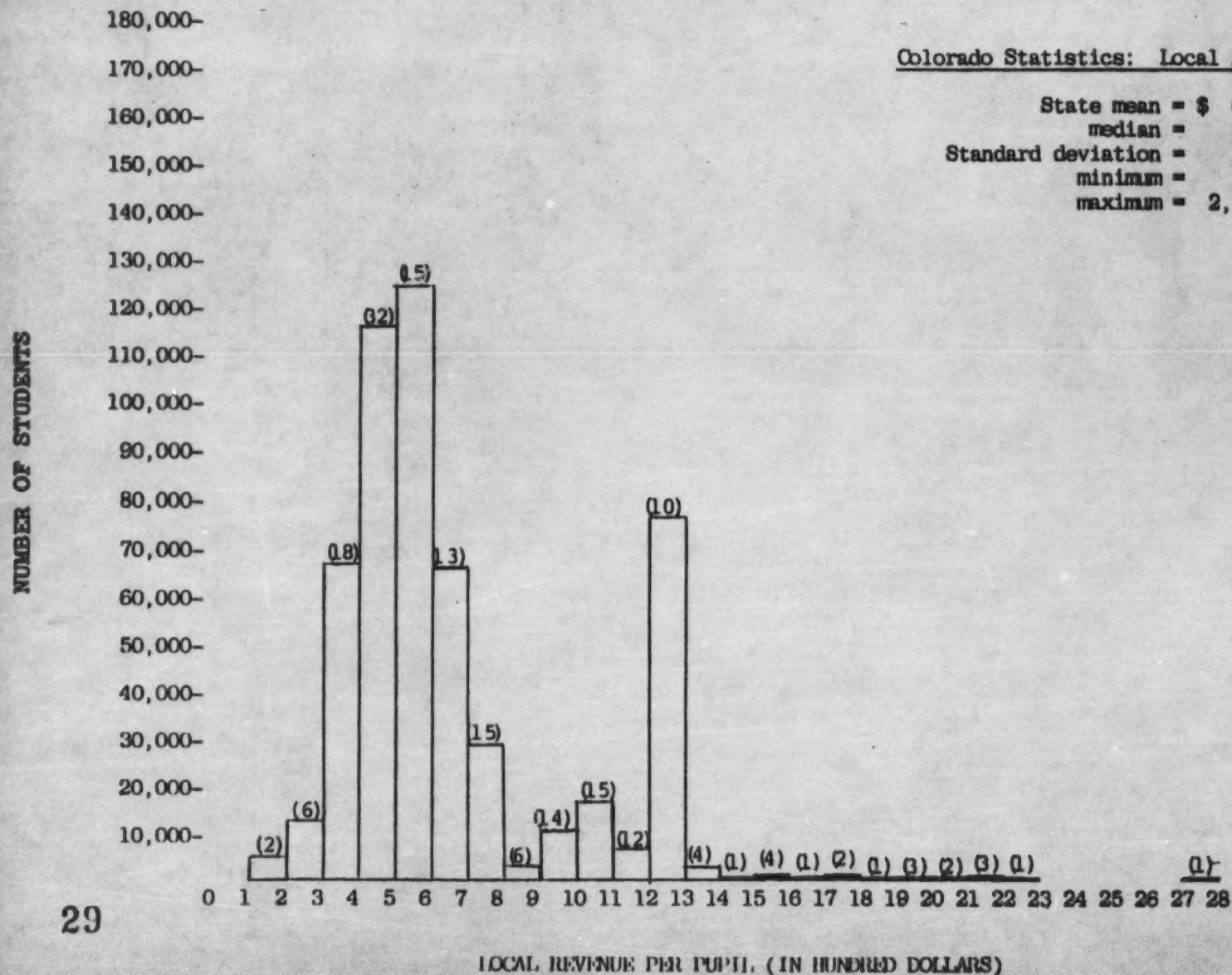
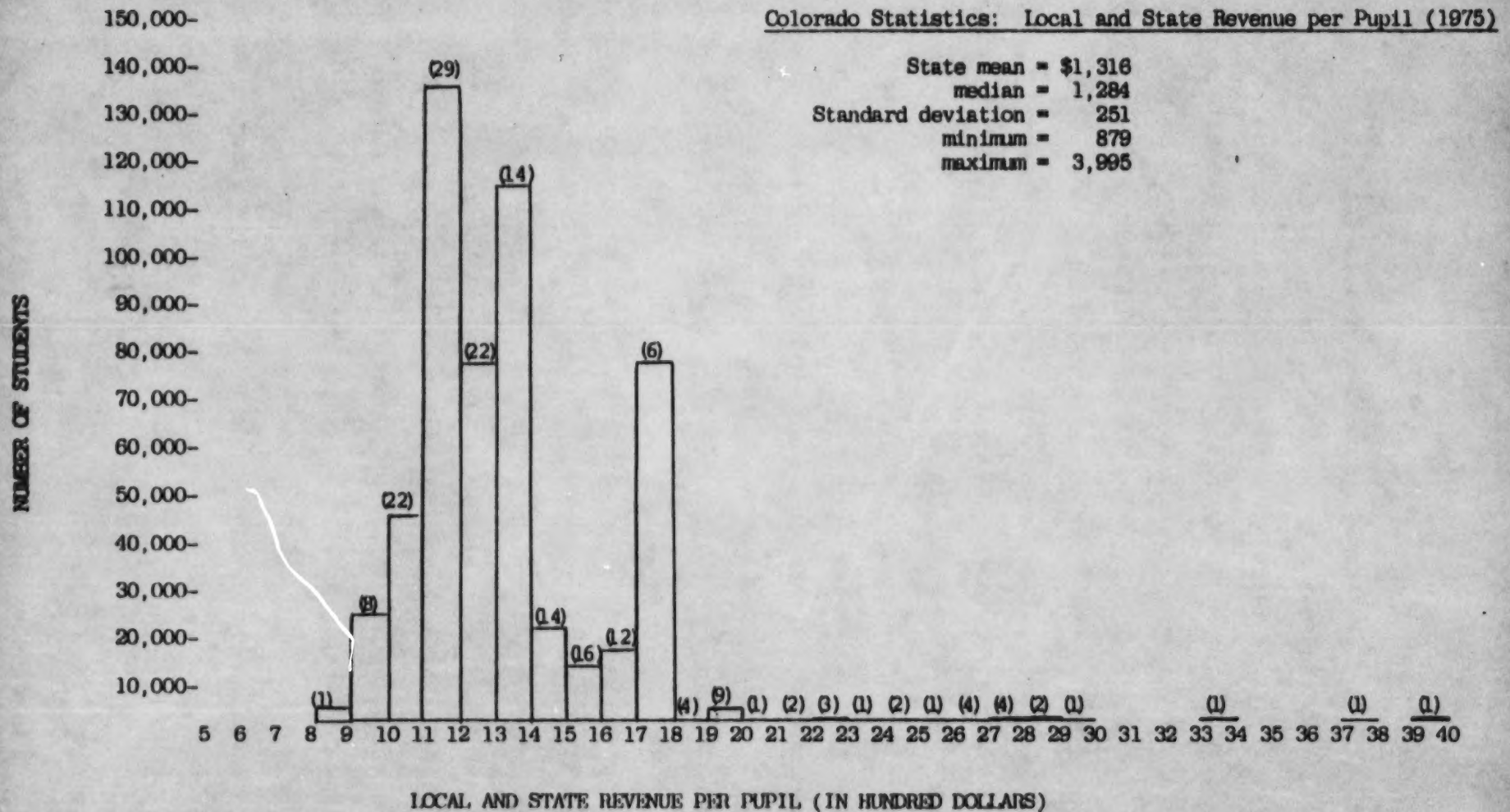


FIGURE 3

THE DISTRIBUTION OF COLORADO STUDENTS (HISTOGRAM) AND SCHOOL DISTRICTS  
(NUMBERS IN PARENTHESES) BY THE LOCAL AND STATE REVENUE PER PUPIL RECEIVED BY THE DISTRICTS



seven times as heavily as other districts.

Colorado has only three large central city districts that enroll 25% of the state's pupils. The surrounding suburban districts have 46% of the pupils. The majority of the districts in the state are non-metropolitan but they contain only 29% of the pupils. It is necessary, therefore, to examine school finance variables within urban core, suburban and non-metropolitan categories. Table 1 presents state means within those categories.

While the means of equalized valuation do not vary widely among the categories, the mean tax effort in central cities was more than 30 percent higher than the suburban mean tax effort in 1975. It is interesting to note that while suburban areas tend to be more property wealthy than non-metropolitan areas in 1975, they tax themselves at a much lower rate than do non-metro areas. While the lower tax effort of suburban areas results in their raising the least local revenue, they receive the greatest amount of state aid. This was primarily due to the fact that suburban areas had underassessed their property to the greatest degree. Their actual assessments were far lower than the equalized valuations and their tax rates on assessed valuations were correspondingly higher. Since state equalization aid is based on actual tax rates, suburban areas received a disproportionately high share of equalization funds. This impact of unequal property assessment procedures is reflected in other tables of this report. The trend in school expenditures is for non-metropolitan areas to spend the least in each category.

TABLE 1

CHARACTERISTICS OF URBAN (CENTRAL CITY), SUBURBAN,  
AND NON-METROPOLITAN COLORADO SCHOOL DISTRICTS:  
1973, 1974, 1975

| Variable and Area                           | 1973      | 1974      | 1975      |
|---------------------------------------------|-----------|-----------|-----------|
| Equalized Valuation Per Pupil               |           |           |           |
| Urban                                       | \$ 19,313 | \$ 20,164 | \$ 21,535 |
| Suburban                                    | 15,008    | 18,591    | 22,100    |
| Non-Metro                                   | 19,543    | 20,454    | 21,265    |
| Equalized Tax Rate (In Mills)               |           |           |           |
| Urban                                       | 36.86     | 31.55     | 37.54     |
| Suburban                                    | 36.68     | 22.76     | 25.59     |
| Non-Metro                                   | 33.38     | 25.55     | 28.34     |
| Local Revenue Per Pupil                     |           |           |           |
| Urban                                       | \$ 784    | \$ 726    | \$ 911    |
| Suburban                                    | 605       | 444       | 555       |
| Non-Metro                                   | 617       | 527       | 603       |
| State Revenue Per Pupil                     |           |           |           |
| Urban                                       | \$ 299    | \$ 511    | \$ 574    |
| Suburban                                    | 382       | 657       | 713       |
| Non-Metro                                   | 362       | 590       | 649       |
| Local and State Revenue Per Pupil           |           |           |           |
| Urban                                       | \$ 1,083  | \$ 1,237  | \$ 1,485  |
| Suburban                                    | 987       | 1,101     | 1,268     |
| Non-Metro                                   | 979       | 1,117     | 1,252     |
| Federal Revenue Per Pupil                   |           |           |           |
| Urban                                       | \$ 85     | \$ 93     | \$ 114    |
| Suburban                                    | 46        | 54        | 58        |
| Non-Metro                                   | 49        | 56        | 60        |
| Local, State, and Federal Revenue Per Pupil |           |           |           |
| Urban                                       | \$ 1,168  | \$ 1,330  | \$ 1,559  |
| Suburban                                    | 1,032     | 1,155     | 1,326     |
| Non-Metro                                   | 1,028     | 1,173     | 1,311     |
| Teacher Salary Per Pupil                    |           |           |           |
| Urban                                       | \$ 604    | \$ 693    | \$ 816    |
| Suburban                                    | 526       | 576       | 650       |
| Non-Metro                                   | 502       | 551       | 609       |

| Variable and Area                      | 1973     | 1974     | 1975     |
|----------------------------------------|----------|----------|----------|
| Total Instructional Expenses Per Pupil |          |          |          |
| Urban                                  | \$ 806   | \$ 936   | \$ 1,094 |
| Suburban                               | 698      | 790      | 898      |
| Non-Metro                              | 661      | 738      | 821      |
| Current Operating Expenses Per Pupil   |          |          |          |
| Urban                                  | \$ 1,112 | \$ 1,281 | \$ 1,537 |
| Suburban                               | 962      | 1,102    | 1,276    |
| Non-Metro                              | 958      | 1,089    | 1,224    |
| Percent Chicano Enrollment             |          |          |          |
| Urban                                  | 24%      | 25 %     | 26%      |
| Suburban                               | 7        | 7        | 8        |
| Non-Metro                              | 17       | 17       | 16       |
| Percent Black Enrollment               |          |          |          |
| Urban                                  | 12%      | 13 %     | 13%      |
| Suburban                               | 2        | 2        | 2        |
| Non-Metro                              | 0        | 0        | 0        |
| Percent Poverty Enrollment             |          |          |          |
| Urban                                  | 19%      | 19 %     | 19%      |
| Suburban                               | 6        | 6        | 6        |
| Non-Metro                              | 18       | 18       | 18       |

\*Less than one-half percent

Percent Chicano enrollment is highest in central cities (26 percent) and in non-metropolitan areas (16 percent). The percentage of Chicanos in suburban areas (8 percent) is half the state average. Blacks are 13 percent of the urban enrollment, only 2 percent of the suburban enrollment, and less than 1 percent of non-metropolitan Chicano enrollment. Pupils from poverty families are concentrated in urban and non-metropolitan areas, with a much lower percentage in suburban areas.

#### INEQUALITIES BASED ON DISTRICT WEALTH

Since there are great disparities by equalized property valuation among Colorado school districts, it was decided that an examination of school finance variables by categories of district wealth would be extremely helpful in ultimately identifying the source of disparities among different ethnic groups in the student population. Tables 2 and 3 illustrate the results of this analysis.

By 1975, the variance in equalized tax rates had decreased substantially from that of 1973. But in 1975, districts with equalized per pupil valuations of less than \$10,000 were still able to raise only one-fifth as much local revenue as districts in the \$40,000 or more category were able to raise with equalized tax rates that were about 38 percent lower.

Prior to the reform, districts in the highest wealth category were exerting considerably less tax effort than other districts. A sizeable 10 mill drop in effective tax rate in the statewide average occurred in the year following the reform

TABLE 2

AVERAGE TAX RATE AND STATE AND LOCAL REVENUE BY CATEGORIES  
OF DISTRICT WEALTH FOR THE SCHOOL DISTRICTS  
OF COLORADO: 1973, 1974, 1975

| EQUALIZED<br>VALUATION PER<br>PUPIL - 1975 | EQUALIZED<br>TAX<br>RATE (MILLS) | LOCAL<br>REVENUE<br>PER PUPIL * | STATE<br>EQUALIZATION<br>PER PUPIL | TOTAL STATE<br>REVENUE<br>PER PUPIL | STATE & LOCAL<br>REVENUE<br>PER PUPIL |
|--------------------------------------------|----------------------------------|---------------------------------|------------------------------------|-------------------------------------|---------------------------------------|
| 1973 Average                               | 35.76                            | 653                             | 295                                | 355                                 | 1,008                                 |
| Under \$10,000                             | 40.60                            | 337                             | 391                                | 436                                 | 773                                   |
| \$10,000-\$12,500                          | 38.82                            | 419                             | 372                                | 412                                 | 832                                   |
| \$12,500-\$15,000                          | 38.26                            | 553                             | 335                                | 379                                 | 933                                   |
| \$15,000-\$20,000                          | 35.14                            | 614                             | 290                                | 365                                 | 980                                   |
| \$20,000-\$30,000                          | 36.03                            | 914                             | 196                                | 281                                 | 1,195                                 |
| \$30,000-\$40,000                          | 31.39                            | 682                             | 307                                | 359                                 | 1,041                                 |
| \$40,000 & Over                            | 17.34                            | 1,054                           | 138                                | 264                                 | 1,318                                 |
| 1974 Average                               | 25.74                            | 538                             | 522                                | 601                                 | 1,139                                 |
| Under \$10,000                             | 25.95                            | 235                             | 641                                | 698                                 | 933                                   |
| \$10,000-\$12,500                          | 28.32                            | 329                             | 598                                | 653                                 | 982                                   |
| \$12,500-\$15,000                          | 27.72                            | 423                             | 561                                | 626                                 | 1,049                                 |
| \$15,000-\$20,000                          | 26.68                            | 487                             | 510                                | 617                                 | 1,104                                 |
| \$20,000-\$30,000                          | 31.16                            | 845                             | 404                                | 495                                 | 1,341                                 |
| \$30,000-\$40,000                          | 16.08                            | 505                             | 568                                | 645                                 | 1,150                                 |
| \$40,000 & Over                            | 16.29                            | 1,065                           | 237                                | 433                                 | 1,498                                 |
| 1975 Average                               | 29.33                            | 656                             | 559                                | 660                                 | 1,316                                 |
| Unver \$10,000                             | 29.88                            | 281                             | 702                                | 771                                 | 1,052                                 |
| \$10,000-\$12,500                          | 31.75                            | 389                             | 659                                | 724                                 | 1,113                                 |
| \$12,500-\$15,000                          | 31.72                            | 501                             | 603                                | 682                                 | 1,183                                 |
| \$15,000-\$20,000                          | 30.61                            | 581                             | 554                                | 663                                 | 1,243                                 |
| \$20,000-\$30,000                          | 36.43                            | 1,043                           | 424                                | 562                                 | 1,604                                 |
| \$30,000-\$40,000                          | 17.10                            | 644                             | 598                                | 698                                 | 1,342                                 |
| \$40,000 & Over                            | 18.31                            | 1,258                           | 244                                | 455                                 | 1,714                                 |

\*All values are expressed in per pupil average daily attendance entitlement

TABLE 3

AVERAGE EXPENDITURES AND FEDERAL AND TOTAL REVENUE  
BY CATEGORIES OF DISTRICT WEALTH FOR THE SCHOOL  
DISTRICTS OF COLORADO: 1973, 1974, 1975

| EQUALIZED<br>VALUATION PER<br>PUPIL - 1975 | FEDERAL<br>REVENUE<br>PER PUPIL | TOTAL<br>REVENUE<br>PER PUPIL | TEACHER<br>SALARY<br>PER PUPIL | TOTAL<br>INSTR. EXP.<br>PER PUPIL | CURRENT OP.<br>EXPENSES<br>PER PUPIL |
|--------------------------------------------|---------------------------------|-------------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| 1973 Average                               | 56                              | 1,064                         | 538                            | 714                               | 998                                  |
| Under \$10,000                             | 93                              | 866                           | 485                            | 614                               | 838                                  |
| \$10,000-\$12,500                          | 52                              | 883                           | 442                            | 583                               | 818                                  |
| \$12,500-\$15,000                          | 56                              | 989                           | 509                            | 686                               | 938                                  |
| \$15,000-\$20,000                          | 37                              | 1,017                         | 509                            | 680                               | 964                                  |
| \$20,000-\$30,000                          | 70                              | 1,265                         | 632                            | 818                               | 1,160                                |
| \$30,000-\$40,000                          | 36                              | 1,078                         | 540                            | 735                               | 1,023                                |
| \$40,000 & Over                            | 48                              | 1,366                         | 592                            | 807                               | 1,219                                |
| 1974 Average                               | 64                              | 1,203                         | 597                            | 811                               | 1,142                                |
| Under \$10,000                             | 112                             | 1,045                         | 522                            | 685                               | 956                                  |
| \$10,000-\$12,500                          | 63                              | 1,046                         | 500                            | 681                               | 974                                  |
| \$12,500-\$15,000                          | 71                              | 1,120                         | 569                            | 783                               | 1,075                                |
| \$15,000-\$20,000                          | 37                              | 1,141                         | 555                            | 751                               | 1,075                                |
| \$20,000-\$30,000                          | 72                              | 1,413                         | 714                            | 944                               | 1,330                                |
| \$30,000-\$40,000                          | 39                              | 1,189                         | 588                            | 821                               | 1,163                                |
| \$40,000 & Over                            | 55                              | 1,553                         | 662                            | 899                               | 1,401                                |
| 1975 Average                               | 72                              | 1,388                         | 679                            | 924                               | 1,325                                |
| Under \$10,000                             | 113                             | 1,165                         | 587                            | 770                               | 1,084                                |
| \$10,000-\$12,500                          | 63                              | 1,176                         | 556                            | 754                               | 1,114                                |
| \$12,500-\$15,000                          | 76                              | 1,259                         | 631                            | 876                               | 1,225                                |
| \$15,000-\$20,000                          | 45                              | 1,288                         | 604                            | 819                               | 1,199                                |
| \$20,000-\$30,000                          | 91                              | 1,695                         | 842                            | 1,119                             | 1,608                                |
| \$30,000-\$40,000                          | 47                              | 1,388                         | 669                            | 936                               | 1,342                                |
| \$40,000 & Over                            | 62                              | 1,775                         | 776                            | 1,054                             | 1,654                                |

and a subsequent 4 mill increase in the second year following the reform. The reform apparently achieved some tax relief for districts, at least in the short-run. The gap in equalized tax rate between high and low wealth districts also was narrowed to some extent after the reform.

While equalization aid and state categorical aid both tended to decrease as the valuation increased, the additional monies for low-wealth districts do not compensate for the disparities in local revenue. In 1973, the highest wealth category of districts had local revenues about \$545 or 71 percent higher than the lowest wealth category. By 1975, the dollar gap had increased to \$662 per pupil, but the percentage difference had declined slightly to 63 percent.

The Act did not eliminate the strong relationship between property wealth and total revenue available for education. While state average local revenue was about the same in 1973 as in 1975, the absolute dollar disparities between the high- and low-wealth categories increased by \$260. In 1973, high-wealth districts raised 3.13 times the amount of local revenue of the low-wealth districts. By 1975, the average local revenue raised by high-wealth districts was almost 4.5 times that of the low-wealth districts.

Between 1973 and 1975, the lowest wealth districts received an average increase of \$335 per pupil in state revenue and an average decrease in local revenue of \$56 per pupil, for a net per pupil increase of \$279 in revenue available for education. The wealthiest districts received an average state revenue

increase of \$191, which, when added to local revenue increase of \$204, produced a net gain per pupil of \$395. While high-wealth districts made the greater dollar gain, low wealth districts maintained about the same relative position. In 1973, state and local revenues in high-wealth districts were 1.71 times what they were in low-wealth districts. By 1975, combined state and local revenues in high-wealth districts were 1.62 times greater than in the low wealth category. In short, absolute wealth-related revenue disparities favoring property-rich districts increased considerably in the two years following the reform due to increased local revenue; on the other hand, the relative gap between poor and wealthy districts did not change appreciably.

As with revenue, educational expenditures per pupil tended to increase as district wealth increased. In 1975, average per pupil instructional expenses for districts in the highest wealth category were about 1.37 times or \$284 higher than average instructional expenses for the lowest wealth category. The disparity in operating expenses between the two groups was about \$570 per pupil, with high-wealth districts spending about 1.53 times the amount in low-wealth districts.

With regard to the problem of wealth discrimination, it is clear that the 1973 reform in Colorado did not reduce the relationship between district property wealth and educational spending. This, of course, was not the explicit purpose of the reform. However, the goal of fiscal neutrality which architects of the legislation had envisioned was not accom-

plished either. There still persists a sizeable inverse relationship between district wealth and effective tax rate. Equal yield for equal effort has not become a reality in Colorado.

#### DISTRIBUTION OF ETHNIC AND INCOME GROUPS

Colorado is clearly a state which suffers substantial wealth disparities. These wealth disparities necessarily affect every facet of school finance practices since the current legislation depends heavily on property wealth for generation of local revenue. A major aim of the present research effort was to identify any differential impact of these current school finance practices on minority or poor students within the system. The first step in assessing the situation in Colorado was to determine to what extent ethnic and income groups are isolated by school district boundaries.

To ascertain the location of large numbers of Chicano, Black, Anglo and poor children, the populations of each group were rank ordered by district. Table 4 illustrates those results. It can be readily seen that the metropolitan areas, especially Denver, capture the largest numbers of each group except Anglos. The Denver School District has one-fourth of the state's Chicano pupils, almost one-third of the state's poor pupils, and two-thirds of the state's Black pupils. Black students by far have the highest percentage of their population located in Denver, but they also have the smallest number of pupils of the three groups mentioned.

Table 5 further illustrates the degree of ethnic and income isolation. It shows the percentage of each group resid-

TABLE 4

**COLORADO SCHOOL DISTRICTS WITH THE MOST CHICANO,  
BLACK, POOR, AND ANGLO PUPILS, 1975**

**DISTRICTS WITH OVER 1000 CHICANOS**  
# Chicanos      District Name

|        |                        |
|--------|------------------------|
| 21,832 | Denver                 |
| 10,171 | Pueblo City            |
| 3,429  | Colorado Springs       |
| 2,769  | Jefferson County       |
| 2,423  | Westminster            |
| 2,399  | Greeley                |
| 2,088  | East Lake (Thornton)   |
| 1,993  | Adams County           |
| 1,387  | St. Vrain (Boulder Co) |
| 1,349  | Mapleton (Adams Co)    |
| 1,289  | Poudre (Ft. Collins)   |
| 1,232  | Trinidad               |
| 1,184  | East Ortero (La Junta) |
| 1,178  | Pueblo Rural           |
| 1,124  | Boulder Valley         |
| 1,113  | Mesa Valley (Gr. Jctn) |
| 1,106  | Harrison (El Paso Co)  |

**DISTRICTS WITH OVER 1000 POOR**  
# Poor      District Name

|        |                           |
|--------|---------------------------|
| 17,801 | Denver                    |
| 4,224  | Colorado Springs          |
| 4,082  | Pueblo City               |
| 3,482  | Jefferson County          |
| 2,008  | Mesa Valley (Grand Jctn.) |
| 1,283  | Greeley                   |
| 1,213  | Adams County              |
| 1,212  | Adams - Arapahoe          |
| 1,209  | Poudre (Ft. Collins)      |
| 1,112  | Boulder Valley            |
| 1,051  | Widefield (El Paso Co)    |
| 1,047  | Delta Co.                 |
| 1,036  | St. Vrain (Boulder Co)    |
| 1,024  | Westminster               |

**DISTRICTS WITH OVER 500 BLACKS**  
# Blacks      District Name

|        |                        |
|--------|------------------------|
| 15,679 | Denver                 |
| 2,133  | Colorado Springs       |
| 1,285  | Adams County           |
| 932    | Harrison (El Paso Co)  |
| 584    | Widefield (El Paso Co) |
| 546    | Pueblo City            |

**DISTRICTS WITH OVER 10,000 ANGLOS**  
# Anglo      District Name

|        |                          |
|--------|--------------------------|
| 75,809 | Jefferson County         |
| 40,065 | Denver                   |
| 28,203 | Colorado Springs         |
| 21,786 | Boulder Valley           |
| 18,161 | Adams County             |
| 17,161 | Littleton                |
| 15,765 | East Lake (Thornton)     |
| 14,084 | Cherry Creek             |
| 13,978 | Pueblo City              |
| 13,680 | Westminster              |
| 12,650 | St. Vrain (Boulder Co)   |
| 12,639 | Poudre (Ft. Collins)     |
| 12,217 | Mesa Valley (Grand Jctn) |

TABLE 5

THE DISTRIBUTION OF ETHNIC AND POOR PUPILS AMONG  
SCHOOL DISTRICTS OF DIFFERENT ETHNIC AND POOR COMPOSITIONS

Percent of Chicano Pupils in School Districts of Various  
Rates of Chicano Enrollment - 1975

|                     | 0% - 15%<br>Chicano | 15% - 30%<br>Chicano | 30% - 50%<br>Chicano | 50% - 100%<br>Chicano |
|---------------------|---------------------|----------------------|----------------------|-----------------------|
| Number of Districts | 123                 | 28                   | 17                   | 13                    |
| Percent of Chicanos | 26%                 | 45%                  | 20%                  | 9%                    |

Percent of Black Pupils in School Districts of Various  
Rates of Black Enrollment - 1975

|                     | 0% - 5%<br>Black | 5% - 10%<br>Black | 10% - 15%<br>Black | 15% - 100%<br>Black |
|---------------------|------------------|-------------------|--------------------|---------------------|
| Number of Districts | 175              | 3                 | 2                  | 1                   |
| Percent of Blacks   | 11%              | 17%               | 6%                 | 66%                 |

Percent of Anglo Pupils in School Districts of Various  
Rates of Anglo Enrollment - 1975

|                     | 0% - 50%<br>Anglo | 50% - 70%<br>Anglo | 70% - 85%<br>Anglo | 85% - 100%<br>Anglo |
|---------------------|-------------------|--------------------|--------------------|---------------------|
| Number of Districts | 14                | 21                 | 28                 | 118                 |
| Percent of Anglos   | 1%                | 16%                | 19%                | 64%                 |

Percent of Poor Pupils in School Districts of Various  
Rates of Poor Enrollment - 1975

|                     | 0% - 15%<br>Poor | 15% - 30%<br>Poor | 30% - 50%<br>Poor | 50% - 100%<br>Poor |
|---------------------|------------------|-------------------|-------------------|--------------------|
| Number of Districts | 72               | 74                | 28                | 7                  |
| Percent of Poor     | 36%              | 53%               | 8%                | 3%                 |

ing in districts by categories of the groups' concentration. It also includes the number of districts represented in each category of concentration.

In reviewing the table on Chicanos we note that 13 of the 181 districts are more than 50% Chicano. About 8,000 Chicanos (9% of all Chicanos) live in this group of predominantly Chicano districts. Almost half of the state's Chicano students reside in districts with a 15-30% Chicano concentration. Chicano children, on the whole, could not be considered ethnically isolated except in the 13 rural districts where they comprise a majority enrollment. They are, however, clearly concentrated in two general areas: (1) central city districts (particularly Denver) where they represent 26% of the enrollment, and (2) non-metropolitan districts where they represent 16% of the enrollment. The Chicano enrollment in suburban districts is disproportionately low (8%). The next section will demonstrate that school finance characteristics differ considerably between the two main Chicano populations--central city and rural.

As previously mentioned, 66% of the Black student population reside in one district, Denver, which has a 20% Black concentration. This strong ethnic isolation of Black pupils means that the school finance characteristics for Black students take on the characteristics of Denver or central city values in many of the analyses of this report.

Eighty-nine percent of the poor pupils reside in districts where the poor are less than 30 percent of total enrollment. Seven districts, however, have over 50% poor pupils. These districts contain only 3% of the state's poor population. The

poor as a group, therefore, are less isolated than ethnic minorities as a group.

The maps in Figures 4, 5 and 6 visually illustrate the information in Table 6. The map depicting the proportion of Chicano pupils (Figure 4) gives a very clear picture of where those 13 districts with high Chicano concentration are located. Comparing the map illustrating the proportion of poor students (Figure 6) with the map showing concentrations of Chicano pupils, one finds that those counties with high proportions of Chicano pupils also tend to be those counties with a high proportion of poor pupils.

#### RELATIONSHIP OF ETHNICITY AND INCOME TO SCHOOL FINANCE MEASURES

It is now appropriate to move on to the issue of what disparities exist among the ethnic and income groups along selected school finance variables.

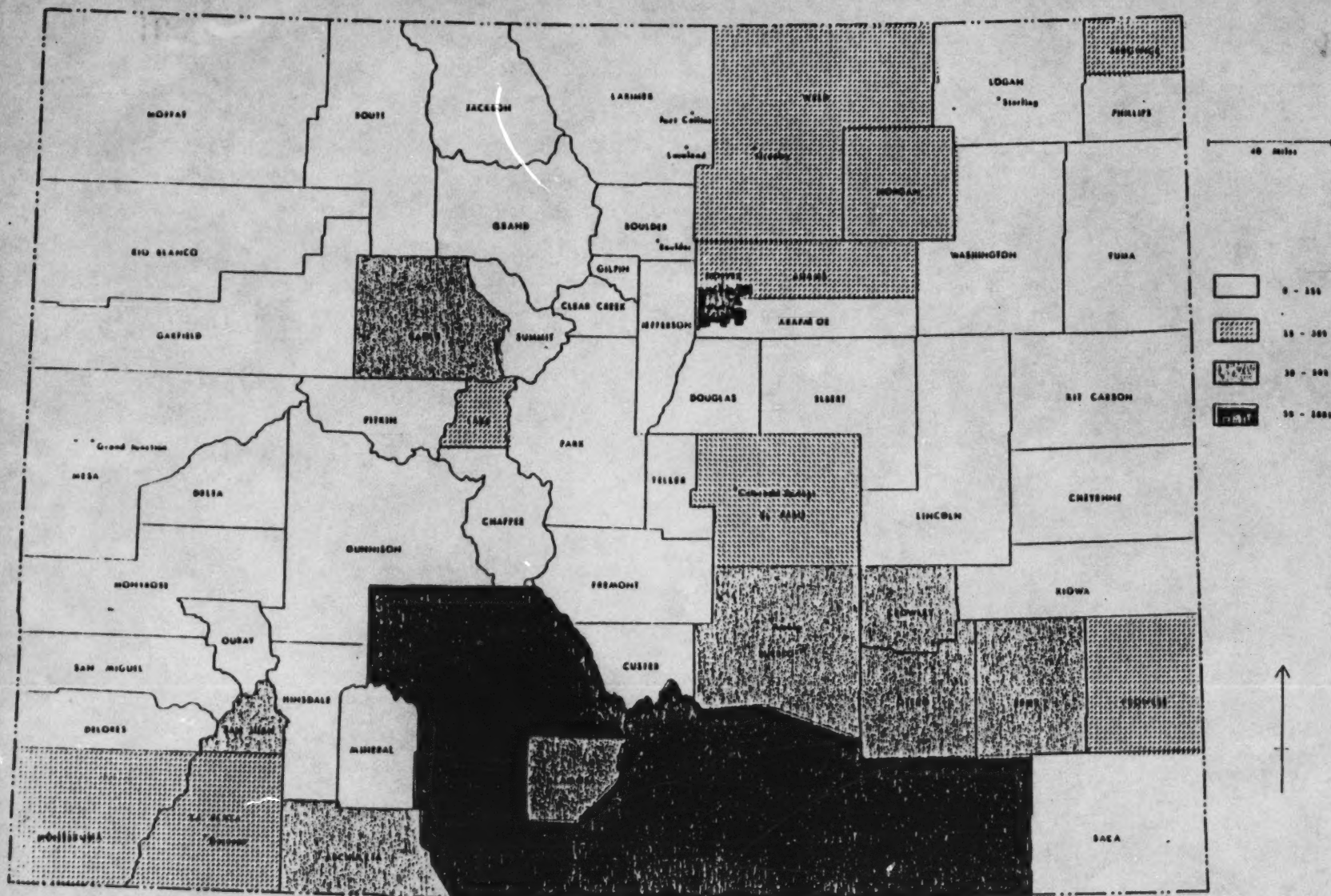
The first analysis undertaken in this regard was a rank order of districts by equalized valuation per pupil. The data were then arranged by deciles of pupils in each ethnic and income group. Table 6 shows the distribution of equalized valuation per pupil within each ethnic group. Sixty percent of all Chicano pupils are in districts which have an equalized valuation per pupil of \$17,917 or less as compared with \$27,137 for Blacks and \$24,980 for Anglos at that same percentile.

Table 7 includes the results of the same analysis for poor/non-poor pupils. The differences are certainly less striking in this distribution, indicating once again that poor pupils live in both high-wealth and low-wealth districts.

31



FIGURE 5. PROPORTION OF MINORITY PUPILS IN COLORADO PUBLIC SCHOOLS BY COUNTY - 1975



PROPORTION OF MINORITY PUPILS IN COLORADO PUBLIC SCHOOLS BY COUNTY - 1975

FIGURE 6. PROPORTION OF POOR PUPILS IN COLORADO PUBLIC SCHOOLS BY COUNTY - 1975

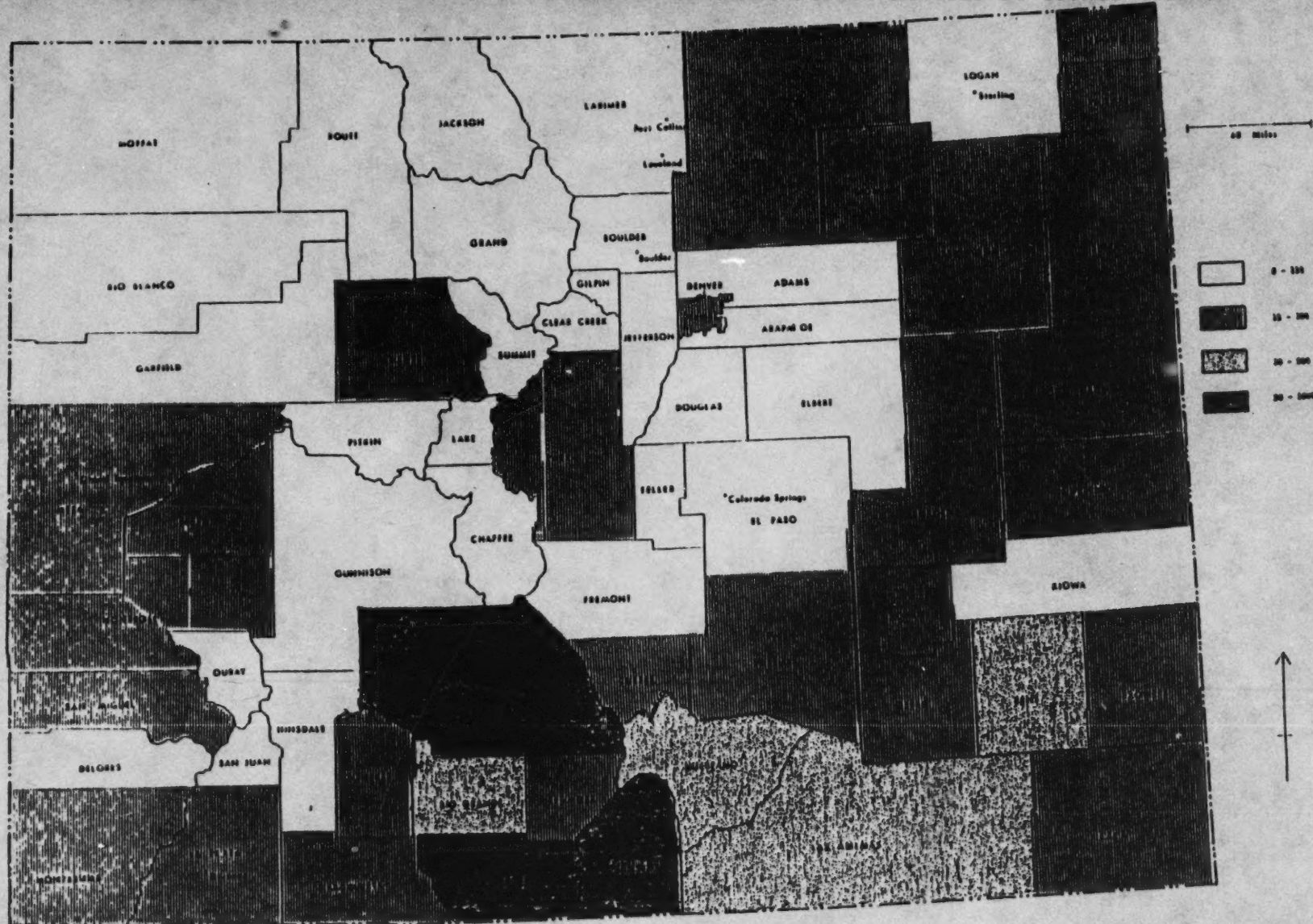


TABLE 6

DISTRIBUTION OF EACH ETHNIC GROUP IN COLORADO SCHOOL DISTRICTS  
RANKED BY EQUALIZED VALUATION PER PUPIL (ADAE), 1975

| Pupil<br>Percentile | DISTRIBUTION OF EQUALIZED VALUATION<br>PER PUPIL (ADAE) BY ETHNIC GROUP |              |              |
|---------------------|-------------------------------------------------------------------------|--------------|--------------|
|                     | Chicano Pupils                                                          | Black Pupils | Anglo Pupils |
| 0                   | \$ 3,781                                                                | \$ 3,781     | \$ 3,781     |
| 10                  | 9,937                                                                   | 10,503       | 10,186       |
| 20                  | 11,166                                                                  | 14,883       | 13,298       |
| 30                  | 13,644                                                                  | 24,683       | 13,916       |
| 40                  | 13,644                                                                  | 27,137       | 14,883       |
| 50                  | 14,883                                                                  | 27,137       | 17,917       |
| 60                  | 17,917                                                                  | 27,137       | 24,980       |
| 70                  | 27,137                                                                  | 27,137       | 27,137       |
| 80                  | 27,137                                                                  | 27,137       | 32,832       |
| 90                  | 27,137                                                                  | 27,137       | 32,832       |
| 95                  | 32,832                                                                  | 27,137       | 36,888       |
| 100                 | 177,011                                                                 | 177,011      | 177,011      |

\*ADAE is average daily attendance entitlement

TABLE 7

DISTRIBUTION OF POVERTY/WEALTH GROUPS IN COLORADO  
SCHOOL DISTRICTS RANKED BY EQUALIZED VALUATION  
PER PUPIL (ADAE), 1975

| Distribution of Equalized Valuation<br>Per Pupil (ADAE) by Poverty Group |             |                 |
|--------------------------------------------------------------------------|-------------|-----------------|
| Pupil<br>Percentile                                                      | Poor Pupils | Non-Poor Pupils |
| 0                                                                        | 3,781       | 3,781           |
| 10                                                                       | 10,186      | 10,186          |
| 20                                                                       | 12,369      | 13,298          |
| 30                                                                       | 13,644      | 13,733          |
| 40                                                                       | 14,534      | 14,883          |
| 50                                                                       | 16,537      | 17,711          |
| 60                                                                       | 24,683      | 25,365          |
| 70                                                                       | 27,137      | 27,137          |
| 80                                                                       | 27,137      | 32,832          |
| 90                                                                       | 32,832      | 32,832          |
| 95                                                                       | 34,153      | 36,888          |
| 100                                                                      | 177,011     | 177,011         |

### Statewide Group Means Comparison

The first approach to comparing ethnic and income groups on school finance measures involved examining statewide averages, and averages by geographic locale, for ethnic and income groups. An analysis of variance was used to test the differences among the various group means, where district values were weighted by the number of students of each ethnic group in that district. In this way, the unit of analysis was the individual pupil. Tables 8 through 16 present the results of these analyses. Asterisks indicate that mean differences for statewide comparisons of ethnic groups were significant at the .01 or .05 levels. No significant differences were found among ethnic groups in the geographic subareas. This may be due to the decreased number of districts in the analyses. Also, no significant differences were found between income groups. (The significance levels are only approximate since the degree of freedom for weighted cases are difficult to determine. The pupil weighting was calculated such that the total degrees of freedom equal the total number of districts.)

Table 8 illustrates group means on equalized valuations per pupil and equalized tax rates. While within group variation on equalized valuation was high and no statistical differences were significant, the following are worth noting.

Blacks have the highest equalized valuation per pupil in each year. However, equalized valuations are highest for Black students only in the urban category where most Black students

reside. Chicano pupils have lower equalized valuations and higher equalized tax rates than Anglos in non-metro and suburban areas. It is interesting to note that equalized valuations for suburban Chicano and Black pupils are lower than for Anglo pupils.

When students are grouped according to family income (poor/non-poor), we find that poor children have higher equalized property values than non-poor in every geographic group. Equalized tax rates were slightly lower for the non-poor in every group.

In 1975, Blacks had the highest statewide average equalized tax rates, followed by Chicanos, then Anglos. Although state average equalized tax rates for Blacks were about 10 mills higher than average rates for Anglos, that differential is primarily explained by the high concentrations of Blacks in Denver. Variations in tax rates among geographic areas were greater than variations among ethnic groups within geographic areas. All ethnic groups in suburban areas had lower equalized tax rates than any ethnic group in any other geographic areas, and all ethnic groups in urban areas had higher equalized tax rates than any other group in any other geographic area.

Table 9 details the components of the 1973 to 1975 change in equalized property valuations and equalized tax rates by geographic groups and ethnic groups. It is interesting to note that increases in equalized property values per pupil in suburban groups (which are predominantly Anglo) were more than three times greater than the state average equalized value increases for all geographic areas, and almost ten times greater

TABLE 8

AVERAGE EQUALIZED VALUATION PER PUPIL AND EQUALIZED TAX RATE  
FOR GEOGRAPHIC, ETHNIC, AND POVERTY GROUPS IN  
COLORADO SCHOOL DISTRICTS: 1973, 1974, AND 1975

| GEOGRAPHIC,<br>ETHNIC, AND<br>POVERTY GROUPS | EQUALIZED VALUATION PER PUPIL |        |        | EQUALIZED TAX RATE (IN MILLS) |       |       | APPROXIMATE N<br>OF STUDENTS P<br>GROUP - 1975 |
|----------------------------------------------|-------------------------------|--------|--------|-------------------------------|-------|-------|------------------------------------------------|
|                                              | 1973                          | 1974   | 1975   | 1973                          | 1974  | 1975  |                                                |
| <u>State Mean</u>                            | 17,394                        | 19,524 | 21,716 | 35.76                         | 25.74 | 29.33 | 529,500                                        |
| Chicano                                      | 16,804                        | 17,720 | 19,008 | 36.08                         | *     | **    | 76,500                                         |
| Black                                        | 20,297                        | 21,180 | 22,747 | 37.51                         | 32.00 | 38.11 | 24,000                                         |
| Anglo                                        | 17,403                        | 19,817 | 22,207 | 35.79                         | 25.22 | 28.35 | 426,000                                        |
| Poor                                         | 17,826                        | 19,116 | 20,618 | 35.84                         | 27.88 | 31.82 | 64,500                                         |
| Not Poor                                     | 17,332                        | 19,583 | 21,875 | 35.74                         | 25.43 | 28.97 | 465,000                                        |
| <u>Urban Mean</u>                            | 19,313                        | 20,164 | 21,535 | 36.86                         | 31.55 | 37.54 | 129,500                                        |
| Chicano                                      | 19,827                        | 20,547 | 21,964 | 35.61                         | 30.27 | 36.57 | 32,000                                         |
| Black                                        | 22,614                        | 23,518 | 25,237 | 37.81                         | 33.69 | 40.15 | 17,500                                         |
| Anglo                                        | 18,918                        | 19,653 | 20,502 | 37.14                         | 31.70 | 37.35 | 79,000                                         |
| Poor                                         | 20,500                        | 21,379 | 22,929 | 36.86                         | 31.95 | 38.18 | 23,500                                         |
| Not Poor                                     | 19,037                        | 19,883 | 21,211 | 36.86                         | 31.46 | 37.40 | 106,000                                        |
| <u>Suburban Mean</u>                         | 15,008                        | 18,591 | 22,100 | 36.68                         | 22.76 | 25.59 | 244,000                                        |
| Chicano                                      | 12,313                        | 14,545 | 17,095 | 39.56                         | 24.81 | 28.02 | 18,000                                         |
| Black                                        | 10,206                        | 11,673 | 13,586 | 36.26                         | 25.56 | 31.05 | 6,000                                          |
| Anglo                                        | 15,146                        | 18,969 | 22,773 | 36.66                         | 22.58 | 25.22 | 218,000                                        |
| Poor                                         | 14,143                        | 17,006 | 19,968 | 37.48                         | 23.91 | 26.92 | 14,500                                         |
| Not Poor                                     | 15,066                        | 18,697 | 22,242 | 36.63                         | 22.68 | 25.50 | 229,500                                        |
| <u>Non-Metro Mean</u>                        | 19,543                        | 20,454 | 21,265 | 33.38                         | 25.55 | 28.34 | 156,000                                        |
| Chicano                                      | 15,818                        | 16,214 | 16,559 | 34.33                         | 26.43 | 29.18 | 26,500                                         |
| Black                                        | 18,497                        | 20,048 | 20,243 | 36.18                         | 25.54 | 29.62 | 500                                            |
| Anglo                                        | 20,197                        | 21,394 | 22,284 | 33.33                         | 25.43 | 28.20 | 129,000                                        |
| Poor                                         | 17,488                        | 18,266 | 18,906 | 34.01                         | 26.45 | 28.85 | 26,500                                         |
| Not Poor                                     | 19,930                        | 20,920 | 21,767 | 33.24                         | 25.36 | 28.23 | 129,500                                        |

\* Indicates Ethnic Differences are Significant at .05 Level

\*\* Indicates Ethnic Differences are Significant at .01 Level

TABLE 9  
CHANGES IN MEAN EQUALIZED VALUATION PER PUPIL AND EQUALIZED TAX RATE  
FOR ETHNIC GROUPS STATEWIDE AND BY COMMUNITY TYPE IN COLORADO  
SCHOOL DISTRICTS, 1973 TO 1975

| Ethnic<br>Group By<br>Community<br>Type | Change in Equalized<br>Valuation Per Pupil |         | Change in Equalized<br>Tax Rates (Mills) |         |
|-----------------------------------------|--------------------------------------------|---------|------------------------------------------|---------|
|                                         | Dollars                                    | Percent | Mills                                    | Percent |
| State Mean                              | +2,130                                     | +11%    | - 6.43                                   | - 18%   |
| Chicano                                 | +2,204                                     | +13%    | - 4.01                                   | - 11%   |
| Black                                   | +2,450                                     | +12%    | + .60                                    | + 1%    |
| Anglo                                   | +4,804                                     | +28%    | + .21                                    | + 1%    |
| Cent. City                              | +2,222                                     | +12%    | + .68                                    | - 1%    |
| Chicano                                 | +2,137                                     | +11%    | + .96                                    | + 3%    |
| Black                                   | +2,623                                     | +12%    | + 2.34                                   | + 6%    |
| Anglo                                   | +1,584                                     | + 8%    | + .21                                    | + 6%    |
| Suburban Mean                           | +7,092                                     | +47%    | -11.09                                   | - 30%   |
| Chicano                                 | +4,792                                     | +39%    | -11.54                                   | - 29%   |
| Black                                   | +3,380                                     | +33%    | - 5.21                                   | - 14%   |
| Anglo                                   | +7,627                                     | +50%    | -11.44                                   | - 31%   |
| Non-Metro Mean                          | 1,722                                      | + 9%    | - 5.04                                   | - 15%   |
| Chicano                                 | + 741                                      | + 5%    | - 5.05                                   | - 15%   |
| Black                                   | +1,746                                     | + 9%    | - 6.56                                   | - 19%   |
| Anglo                                   | +2,087                                     | +10%    | - 5.13                                   | - 15%   |

than the average increases in equalized property values in non-metro areas for Chicanos. These trends indicate that non-metro Chicanos are falling progressively further behind in their local revenue-raising capabilities.

The advantage which a rapidly expanding local tax base produced for the Anglo suburban group no doubt contributed to their 31 percent average reduction in equalized tax rates over the three-year period, compared to a mere 15 percent average reduction for non-metro Chicano groups. Urban Blacks averaged a six percent increase in average equalized tax rates over the period, reflecting the concentration of Blacks in high-taxing Denver.

From Table 10 it can be seen that statewide average gains in equalized property valuations for the non-poor as a group were about 1.6 times the gains for the poor. The greatest gains (48 percent) went to the suburban non-poor, and the smallest gains (8 percent) went to non-metro poor.

Equalized tax rates dropped an average of 30 percent among the suburban non-poor districts, giving them double the average reductions of the non-metro poor.

The data in Table 11 show that in 1973, state average local revenue for Black exceeded that for Chicanos and Anglos by about \$187 per pupil, with Anglos and Chicanos having almost equal average local revenue per pupil. By 1975, state average local revenue for Blacks exceeded average revenue for Anglos by about \$331 per pupil and exceeded average revenue for Chicanos by about \$288 per pupil.

TABLE 10  
CHANGES IN MEAN EQUALIZED VALUATION PER  
PUPIL AND EQUALIZED TAX RATES FOR POVERTY AND  
NON-POVERTY GROUPS STATEWIDE AND BY COMMUNITY TYPE IN COLORADO  
SCHOOL DISTRICTS, 1973 TO 1975

| Ethnic<br>Group By<br>Community<br>Type | <u>Changes in Equalized<br/>Valuation Per Pupil</u> |         | <u>Changes in Equalized<br/>Tax Rates</u> |         |
|-----------------------------------------|-----------------------------------------------------|---------|-------------------------------------------|---------|
|                                         | Dollars                                             | Percent | Mills                                     | Percent |
| State Mean                              | +2,130                                              | +11%    | - 6.43                                    | -18%    |
| Poor                                    | +2,792                                              | +16%    | - 4.02                                    | -11%    |
| Not Poor                                | +4,543                                              | +26%    | - 6.77                                    | -19%    |
| Central City                            | +2,222                                              | +12%    | + .68                                     | + 1%    |
| Poor                                    | +2,429                                              | +12%    | + 1.32                                    | + 4%    |
| Not Poor                                | +2,174                                              | +11%    | + .54                                     | + 1%    |
| Urban Fringe                            | +7,092                                              | +47%    | -11.09                                    | -30%    |
| Poor                                    | +5,825                                              | +41%    | -10.56                                    | -39%    |
| Not Poor                                | +7,176                                              | +48%    | -11.13                                    | -30%    |
| Non-Metro                               | +1,722                                              | + 9%    | - 5.04                                    | -15%    |
| Poor                                    | +1,418                                              | + 8%    | - 5.16                                    | -15%    |
| Not Poor                                | +1,787                                              | + 9%    | - 5.01                                    | -15%    |

Disparities among ethnic groups were greatest within the urban category, where Denver's high local revenue put Blacks \$250 per pupil ahead of Anglos, and \$196 per pupil ahead of Chicanos in 1975. The largest 1975 dollar disparity among groups in the suburban and non-metro categories was the \$94 local revenue gap between non-metro Anglos and non-metro Chicanos. Suburban districts had the lowest average local revenue in all ethnic groups for all three years.

The 1973 to 1975 changes in local revenue among geographic and ethnic groups are shown in Table 12. Local revenue declined for all ethnic groups in suburban and non-metro groups and increased for all ethnic groups in the urban group. Urban Blacks received the greatest increase of any group, reflecting the influence of Denver. Suburban districts had the greatest decrease in local revenue, with the Chicano suburban groups having the highest dollar and percentage reductions of any group.

Average local revenue for the poor exceeded that for the non-poor in all three years. (See Table 11.) The average figures, however, reflect the weight of the urban districts. Among suburban and non-metro districts, average revenue for the non-poor exceeded average revenue for the poor for all three years. The revenue gap between poor and non-poor remained about constant over the three-year period.

The state average changes in local revenue among poor and non-poor shown in Table 13 tend to mask important variations among

TABLE 11

LOCAL AND STATE REVENUE PER PUPIL  
FOR GEOGRAPHIC, ETHNIC, AND POVERTY GROUPS IN  
COLORADO SCHOOL DISTRICTS: 1973, 1974, AND 1975

| GEOGRAPHIC,<br>ETHNIC, AND<br>POVERTY GROUPS | LOCAL REVENUE<br>PER PUPIL |      |       | STATE REVENUE<br>PER PUPIL |      |      | LOCAL AND STATE<br>REVENUE PER PUPIL |       |       | APPROXIMATE NUMBER<br>OF STUDENTS PER<br>GROUP - 1975 |
|----------------------------------------------|----------------------------|------|-------|----------------------------|------|------|--------------------------------------|-------|-------|-------------------------------------------------------|
|                                              | 1973                       | 1974 | 1975  | 1973                       | 1974 | 1975 | 1973                                 | 1974  | 1975  |                                                       |
| <u>State Mean</u>                            | 653                        | 538  | 656   | 335                        | 601  | 660  | 1,008                                | 1,139 | 1,316 | 529,500                                               |
|                                              |                            | *    | *     | *                          | *    |      |                                      |       | *     |                                                       |
| Chicano                                      | 649                        | 559  | 679   | 347                        | 582  | 650  | 996                                  | 1,141 | 1,330 | 76,500                                                |
| Black                                        | 837                        | 771  | 967   | 289                        | 516  | 585  | 1,126                                | 1,288 | 1,552 | 24,000                                                |
| Anglo                                        | 650                        | 528  | 636   | 357                        | 607  | 666  | 1,007                                | 1,135 | 1,302 | 426,000                                               |
| Poor                                         | 672                        | 589  | 712   | 346                        | 581  | 644  | 1,018                                | 1,171 | 1,356 | 64,500                                                |
| Not Poor                                     | 650                        | 530  | 648   | 357                        | 604  | 662  | 1,006                                | 1,135 | 1,310 | 465,000                                               |
| <u>Urban Mean</u>                            | 784                        | 726  | 911   | 299                        | 511  | 574  | 1,083                                | 1,237 | 1,485 | 129,500                                               |
| Chicano                                      | 788                        | 723  | 916   | 298                        | 519  | 587  | 1,086                                | 1,242 | 1,504 | 32,000                                                |
| Black                                        | 929                        | 822  | 1,112 | 260                        | 480  | 550  | 1,189                                | 1,363 | 1,663 | 17,500                                                |
| Anglo                                        | 772                        | 709  | 862   | 302                        | 512  | 574  | 1,074                                | 1,221 | 1,436 | 79,000                                                |
| Poor                                         | 832                        | 778  | 982   | 286                        | 503  | 569  | 1,118                                | 1,280 | 1,551 | 23,500                                                |
| Not Poor                                     | 773                        | 714  | 894   | 301                        | 513  | 575  | 1,075                                | 1,227 | 1,469 | 106,000                                               |
| <u>Suburban Mean</u>                         | 605                        | 444  | 555   | 382                        | 657  | 713  | 987                                  | 1,101 | 1,268 | 244,000                                               |
| Chicano                                      | 529                        | 382  | 478   | 401                        | 683  | 738  | 930                                  | 1,065 | 1,216 | 18,000                                                |
| Black                                        | 445                        | 335  | 450   | 412                        | 658  | 705  | 856                                  | 933   | 1,155 | 6,000                                                 |
| Anglo                                        | 609                        | 450  | 564   | 380                        | 655  | 711  | 988                                  | 1,104 | 1,275 | 218,000                                               |
| Poor                                         | 577                        | 430  | 533   | 385                        | 661  | 715  | 962                                  | 1,091 | 1,248 | 14,500                                                |
| Not Poor                                     | 607                        | 445  | 556   | 382                        | 656  | 713  | 988                                  | 1,101 | 1,269 | 229,500                                               |
| <u>Non-Metro Mean</u>                        | 617                        | 527  | 603   | 362                        | 590  | 649  | 979                                  | 1,117 | 1,252 | 156,000                                               |
| Chicano                                      | 544                        | 466  | 518   | 375                        | 595  | 667  | 919                                  | 1,061 | 1,185 | 26,500                                                |
| Black                                        | 606                        | 483  | 593   | 365                        | 622  | 690  | 971                                  | 1,105 | 1,284 | 500                                                   |
| Anglo                                        | 632                        | 542  | 621   | 359                        | 587  | 645  | 991                                  | 1,129 | 1,266 | 129,000                                               |
| Poor                                         | 582                        | 510  | 570   | 378                        | 607  | 671  | 960                                  | 1,116 | 1,241 | 26,500                                                |
| Not Poor                                     | 625                        | 531  | 610   | 358                        | 586  | 644  | 983                                  | 1,118 | 1,254 | 129,500                                               |

\* Indicates Ethnic Differences are Significant at .05 Level

\*\* Indicates Ethnic Differences are Significant at .01 Level

TABLE 12  
CHANGES IN MEAN LOCAL & STATE REVENUE PER PUPIL  
FOR ETHNIC GROUPS STATEWIDE AND BY COMMUNITY TYPE IN COLORADO SCHOOL  
DISTRICTS, 1973 TO 1975

| Geographic<br>& Ethnic<br>Groups | Change in Local<br>Revenues Per Pupil |         | Change in State<br>Revenue Per Pupil |         | Change in Local and<br>State Revenue Per Pupil |         |
|----------------------------------|---------------------------------------|---------|--------------------------------------|---------|------------------------------------------------|---------|
|                                  | Dollars                               | Percent | Dollars                              | Percent | Dollars                                        | Percent |
| State Mean                       | + 3                                   | + 1%    | +325                                 | + 97%   | +308                                           | +31%    |
| Chicano                          | + 30                                  | + 5%    | +303                                 | + 87%   | +334                                           | +34%    |
| Black                            | +130                                  | +16%    | +296                                 | +102%   | +426                                           | +38%    |
| Anglo                            | - 14                                  | - 2%    | +309                                 | + 87%   | +295                                           | +29%    |
| Urban Mean                       | +127                                  | +16%    | +275                                 | + 92%   | +402                                           | +37%    |
| Chicano                          | +128                                  | +16%    | +289                                 | + 97%   | +418                                           | +38%    |
| Black                            | +183                                  | +20%    | +290                                 | +112%   | +474                                           | +40%    |
| Anglo                            | + 90                                  | +12%    | +272                                 | + 90%   | +362                                           | +34%    |
| Suburban                         | - 50                                  | - 8%    | +331                                 | + 87%   | +281                                           | +28%    |
| Chicano                          | - 51                                  | -10%    | +337                                 | + 84%   | +286                                           | +31%    |
| Black                            | - 5                                   | - 1%    | +293                                 | + 71%   | +299                                           | +35%    |
| Anglo                            | - 45                                  | - 7%    | +331                                 | + 87%   | +287                                           | +29%    |
| Non Metro                        | - 14                                  | - 2%    | +287                                 | + 79%   | +273                                           | -28%    |
| Chicano                          | - 26                                  | - 5%    | +292                                 | + 78%   | +266                                           | -29%    |
| Black                            | - 13                                  | - 2%    | +325                                 | + 89%   | +313                                           | +32%    |
| Anglo                            | - 11                                  | - 2%    | +286                                 | - 80%   | +275                                           | -28%    |

TABLE 13

CHANGES IN MEAN LOCAL AND STATE REVENUE PER PUPIL FOR THE POOR  
AND NON-POOR STATEWIDE AND BY COMMUNITY TYPE IN  
COLORADO SCHOOL DISTRICTS: 1973 TO 1975

| Income<br>Group By<br>Community<br>Type | Changes in Local<br>Revenue<br>Per Pupil |         | Changes in State<br>Revenue<br>Per Pupil |         | Changes in State<br>and Local Revenue<br>Per Pupil |         |
|-----------------------------------------|------------------------------------------|---------|------------------------------------------|---------|----------------------------------------------------|---------|
|                                         | Dollars                                  | Percent | Dollars                                  | Percent | Dollars                                            | Percent |
| State Mean                              | +\$ 3                                    | .5%     | +\$ 325                                  | + 97%   | +\$ 308                                            | + 31%   |
| Poor                                    | + 48                                     | + 7     | + 298                                    | + 86    | + 338                                              | + 33    |
| Non-Poor                                | - 2                                      | - .3    | + 305                                    | + 85    | + 304                                              | + 30    |
| Central City                            | +\$127                                   | + 16 %  | +\$ 275                                  | + 92%   | +\$ 402                                            | + 37%   |
| Poor                                    | + 150                                    | + 18    | + 283                                    | + 99    | + 433                                              | + 39    |
| Non-Poor                                | + 121                                    | + 16    | + 274                                    | + 91    | + 394                                              | + 37    |
| Urban Fringe                            | - 50                                     | - 8 %   | +\$ 331                                  | + 87%   | +\$ 281                                            | + 28%   |
| Poor                                    | - 44                                     | - 8     | + 330                                    | + 88    | + 286                                              | + 30    |
| Non-Poor                                | - 51                                     | - 9     | + 331                                    | + 87    | + 281                                              | + 28    |
| Non-Metro                               | - 14                                     | - 2 %   | +\$ 287                                  | + 79%   | +\$ 273                                            | + 28%   |
| Poor                                    | - 12                                     | - 2     | + 293                                    | + 78    | + 281                                              | + 29    |
| Non-Poor                                | - 15                                     | - 2     | + 286                                    | + 80    | + 271                                              | + 28    |

groups. Local revenue increased by an average of 16 percent for the urban group, with both poor and non-poor sharing about equally in the percentage of change. Non-poor suburban districts had the greatest dollar and percentage reduction of any group, followed by poor suburban districts. Average local revenue for both poor and non-poor in non-metro districts remained about the same.

Average state revenue per pupil was highest for Anglos for all three years examined. (See Table 11) In 1975, Blacks were receiving \$81 per pupil less and Chicanos \$16 less than the average state aid. Again, state averages do not reflect important variations within groups.

In all three years, the suburban groups received higher state revenue allocations than urban or non-metro groups. In 1975, among the urban and suburban groups, Chicanos received the most state aid, and Anglos received the least. Among the non-metro groups, Blacks received the most state revenue and Anglos least.

The 1973 to 1975 changes in state revenue by geographic groups and ethnic groups are shown in Table 12. Suburban students as a group received the largest dollar increase in state revenue, but urban students as a group received the largest percentage increases. In all ethnic groups within the geographic groups, Blacks and Chicanos received larger dollar increases in state aid than Anglos.

Table 11 data on average state revenue per pupil in the categories of poor/non-poor indicate that in all three years, state

revenue was slightly higher for the non-poor. That pattern held in the urban group, but reversed in the suburban and non-metro groups, where state revenue was higher for the poor than for the non-poor.

The data in Table 13 show that suburban non-poor children received the largest average dollar increase in state revenue, while the lowest dollar increases went to urban non-poor pupils. But the dollar difference between the changes for suburban non-poor and urban non-poor was only \$57 per pupil. Because poverty enrollments tend to be rather evenly distributed among all categories of districts, average gains within groups tend to be rather similar.

The composite effects of the 1973 reform law on state and local revenue among geographic groups are reflected in Table 11. In 1973, state average combined state and local revenue was highest for Black students and lowest for Chicanos. In 1975, Blacks retained their lead, but average revenue for Chicanos was higher than for Anglos. The pattern of the statewide average also held true among ethnic groups within the urban group for 1975.

Among suburban and non-metro groups, Anglos had the highest average state and local revenue in 1973 and in 1975. Blacks had higher average revenue than Chicanos in non-metro groups both in 1973 and in 1975, but Chicanos had higher average revenue than Blacks in suburban districts in both years.

Urban Blacks made the highest average dollar and percentage gains in combined state and local revenue over the three years. All urban ethnic groups received greater average dollar increases

than any suburban or non-metro group. Non-metro Chicano students made the least dollar gains. (See Table 12)

State average combined state and local revenue was higher for poverty than for non-poverty groups in all three years examined. The pattern of the state average held for the urban group but was reversed in suburban and non-metro groups, where average combined revenue was higher for the non-poor than for the poor. (See Table 11.)

The data in Table 13 show that the urban poor enjoyed the largest dollar and percentage increases in combined state and local revenue. Suburban non-poor districts received the smallest dollar increases.

The data in Table 14 indicate that Blacks received the highest per pupil allocations of federal aid, both statewide and in all geographic groups. They were followed by Chicanos, then Anglos, in all geographic groups in all years. All three ethnic groups of the urban group got more federal revenue per pupil than any suburban or non-metro group.

The data in Table 15 indicate that from 1973 to 1975, all the ethnic group in the urban group enjoyed increases in federal aid of close to \$30 per student, while the ethnic subgroups in non-metropolitan areas averaged federal aid increases of only about \$11 per student. The dollar and percentage changes in federal aid were about the same for ethnic groups within geographic groups, except that suburban Blacks made about double the dollar gains of suburban Chicanos and Anglos.

TABLE 14

FEDERAL AND TOTAL REVENUE PER PUPIL  
FOR GEOGRAPHIC, ETHNIC, AND POVERTY GROUPS IN  
COLORADO SCHOOL DISTRICTS: 1973, 1974, AND 1975

| GEOGRAPHIC,<br>ETHNIC, AND<br>POVERTY GROUPS | FEDERAL REVENUE<br>PER PUPIL |      |      | LOCAL, STATE, AND FEDERAL<br>REVENUE PER PUPIL |       |       | APPROXIMATE NUMBER<br>OF STUDENTS PER<br>GROUP - 1975 |
|----------------------------------------------|------------------------------|------|------|------------------------------------------------|-------|-------|-------------------------------------------------------|
|                                              | 1973                         | 1974 | 1975 | 1973                                           | 1974  | 1975  |                                                       |
| <u>State Mean</u>                            | 56                           | 64   | 72   | 1,064                                          | 1,203 | 1,388 | 529,500                                               |
|                                              | *                            |      | **   |                                                | *     | **    |                                                       |
| Chicano                                      | 67                           | 76   | 86   | 1,063                                          | 1,217 | 1,415 | 76,500                                                |
| Black                                        | 90                           | 99   | 119  | 1,216                                          | 1,386 | 1,671 | 24,000                                                |
| Anglo                                        | 54                           | 60   | 67   | 1,061                                          | 1,195 | 1,369 | 426,000                                               |
| Poor                                         | 66                           | 74   | 84   | 1,084                                          | 1,245 | 1,440 | 64,500                                                |
| Not Poor                                     | 55                           | 63   | 70   | 1,061                                          | 1,197 | 1,381 | 465,000                                               |
| <u>Urban Mean</u>                            | 85                           | 93   | 114  | 1,168                                          | 1,330 | 1,559 | 129,500                                               |
| Chicano                                      | 84                           | 91   | 113  | 1,171                                          | 1,333 | 1,617 | 32,000                                                |
| Black                                        | 94                           | 98   | 123  | 1,283                                          | 1,460 | 1,786 | 17,500                                                |
| Anglo                                        | 84                           | 93   | 112  | 1,159                                          | 1,314 | 1,548 | 79,000                                                |
| Poor                                         | 88                           | 94   | 117  | 1,206                                          | 1,374 | 1,668 | 23,500                                                |
| Not Poor                                     | 84                           | 93   | 113  | 1,159                                          | 1,320 | 1,582 | 106,000                                               |
| <u>Suburban Mean</u>                         | 46                           | 54   | 58   | 1,032                                          | 1,155 | 1,326 | 244,000                                               |
| Chicano                                      | 51                           | 65   | 66   | 981                                            | 1,131 | 1,282 | 18,000                                                |
| Black                                        | 76                           | 104  | 108  | 932                                            | 1,097 | 1,263 | 6,000                                                 |
| Anglo                                        | 45                           | 52   | 56   | 1,034                                          | 1,157 | 1,331 | 218,000                                               |
| Poor                                         | 51                           | 64   | 67   | 1,012                                          | 1,155 | 1,315 | 14,500                                                |
| Not Poor                                     | 45                           | 53   | 57   | 1,033                                          | 1,155 | 1,326 | 229,500                                               |
| <u>Non-Metro Mean</u>                        | 49                           | 56   | 60   | 1,028                                          | 1,173 | 1,311 | 156,000                                               |
| Chicano                                      | 56                           | 64   | 65   | 975                                            | 1,125 | 1,250 | 26,500                                                |
| Black                                        | 54                           | 66   | 66   | 1,025                                          | 1,171 | 1,350 | 500                                                   |
| Anglo                                        | 46                           | 52   | 57   | 1,037                                          | 1,181 | 1,323 | 129,000                                               |
| Poor                                         | 54                           | 63   | 65   | 1,015                                          | 1,179 | 1,306 | 26,500                                                |
| Not Poor                                     | 48                           | 54   | 59   | 1,030                                          | 1,172 | 1,313 | 129,500                                               |

\* Indicates Ethnic Differences are Significant at .05 Level

\*\* Indicates Ethnic Differences are Significant at .01 Level

TABLE 15  
CHANGES IN MEAN FEDERAL AND TOTAL  
REVENUES PER PUPIL FOR ETHNIC GROUPS STATEWIDE AND BY COMMUNITY TYPE  
IN COLORADO SCHOOL DISTRICTS, 1973-1975

| Geographic<br>and Ethnic<br>Groups | 1973-1975 Change<br>in Federal Revenues<br>Per Pupil |         | 1973-1975 Change in Combined<br>Federal, State, and Local<br>Revenues Per Pupil |         |
|------------------------------------|------------------------------------------------------|---------|---------------------------------------------------------------------------------|---------|
|                                    | Dollars                                              | Percent | Dollars                                                                         | Percent |
| State Mean                         | +16                                                  | +29%    | +324                                                                            | +30%    |
| Chicano                            | +19                                                  | +28%    | +352                                                                            | +33%    |
| Black                              | +29                                                  | +32%    | +455                                                                            | +37%    |
| Anglo                              | +13                                                  | +24%    | +308                                                                            | +29%    |
| Urban Mean                         | +29                                                  | +34%    | +391                                                                            | +33%    |
| Chicano                            | +29                                                  | +35%    | +446                                                                            | +38%    |
| Black                              | +29                                                  | +31%    | +503                                                                            | +39%    |
| Anglo                              | +28                                                  | +33%    | +389                                                                            | +34%    |
| Suburban Mean                      | +12                                                  | +26%    | +294                                                                            | +28%    |
| Chicano                            | +15                                                  | +24%    | +301                                                                            | +31%    |
| Black                              | +32                                                  | +42%    | +331                                                                            | +36%    |
| Anglo                              | +11                                                  | +24%    | +297                                                                            | +29%    |
| Non Metro Mean                     | +11                                                  | +22%    | +283                                                                            | +28%    |
| Chicano                            | 11                                                   | +20     | +275                                                                            | +28%    |
| Black                              | 12                                                   | +21%    | +325                                                                            | +32%    |
| Anglo                              | 11                                                   | +24%    | +286                                                                            | +28%    |

Federal revenue was higher for the poor in all geographic areas for all three years. (See Table 14.) Changes in federal revenue tended to be about the same for poor and non-poor groups within each geographic subgroup. The urban poor and non-poor reaped about three times the gains in federal aid of the non-metro poor and non-poor, and about double the federal aid gains of the suburban poor and non-poor. (See Table 16.)

In all three years, state average combined local, state and federal revenues per pupil were highest for Blacks and lowest for Anglos. (See Table 14.) But the state average pattern held true only for urban districts. In suburban areas, Anglos had the highest average total revenue, followed by Chicanos, then Blacks. In non-metro areas, Anglos were first, Blacks second, and Chicanos third.

The greatest gains in total revenue were made by urban Blacks, with all urban ethnic subgroups making greater revenue gains than any ethnic subgroup in suburban or non-metro areas. Non-metro Chicanos made the least total gains of any subgroup. (See Table 15.)

Statewide, poor and non-poor pupils made about the same gains in total revenue. (See Table 16.) Urban poor pupils made the greatest gains, with urban, non-poor pupils in second place. Non-metro, non-poor pupils made the least gains.

#### Disparities by Ethnic and Poverty Concentration

Thus far, we have seen the values of selected variables for groups of ethnic, income and locale groupings and categories of

TABLE 16

CHANGES IN MEAN FEDERAL AND TOTAL REVENUE PER PUPIL FOR THE  
POOR AND NON-POOR STATEWIDE AND BY COMMUNITY TYPE IN  
COLORADO SCHOOL DISTRICTS: 1973 TO 1975

| Income<br>Group by<br>Community<br>Type | Changes in<br>Federal Revenue<br>Per Pupil |         | Changes in Combined Federal,<br>State, and Local Revenue<br>Per Pupil |         |
|-----------------------------------------|--------------------------------------------|---------|-----------------------------------------------------------------------|---------|
|                                         | Dollars                                    | Percent | Dollars                                                               | Percent |
| State Mean                              | +\$ 16                                     | + 29%   | +\$ 324                                                               | + 30%   |
| Poor                                    | + 18                                       | + 27    | + 356                                                                 | + 33    |
| Non-Poor                                | + 15                                       | + 27    | + 320                                                                 | + 30    |
| Central City                            | +\$ 29                                     | + 34%   | +\$ 391                                                               | + 33%   |
| Poor                                    | + 29                                       | + 33    | + 462                                                                 | + 38    |
| Non-Poor                                | + 29                                       | + 35    | + 423                                                                 | + 36    |
| Urban Fringe                            | +\$ 12                                     | + 26%   | +\$ 294                                                               | + 28%   |
| Poor                                    | + 16                                       | + 31    | + 303                                                                 | + 30    |
| Non-Poor                                | + 12                                       | + 27    | + 293                                                                 | + 28    |
| Non-Metro                               | +\$ 11                                     | + 22%   | +\$ 283                                                               | + 28%   |
| Poor                                    | + 11                                       | + 20    | + 291                                                                 | + 29    |
| Non-Poor                                | + 11                                       | + 23    | + 283                                                                 | + 27    |

district wealth. A question left unaddressed is how are each of the variables related to district composition of ethnic and income groups. Tables 17 through 22 address this question. Each district was categorized by the percent of each group's enrollment. A weighted mean was then computed for each category. An analysis of variance was performed on the data to determine differences among the group means. Additionally, in each category for each year the value for Denver was omitted in an attempt to examine the differences without the affect of its urban characteristics. Asterisks indicate significance, and asterisks within the parentheses indicate significant differences with Denver removed from consideration.

Table 17 indicates that equalized property values decrease as the percentage of Chicano enrollment increases (except in the 15-30% Chicano category.) The disparity between the category of lowest Chicano concentration and the category with the highest degree of concentration increased from \$6,456 per pupil in 1973 to \$10,135 in 1975. It is interesting to note the sharp drop in equalized valuation when the Denver School District is removed from the analysis.

Variations in local revenue follow the same patterns as equalized valuations. In 1973, local revenue in districts with 0-15% Chicano enrollment averaged \$628 per pupil, approximately 1.6 times the local revenue available in districts with over 50 percent Chicano enrollment. By 1975, the dollar gap between high- and low- percent Chicano districts had declined slightly. But in all three years, the differences among groups each year were significant at the .01 level.

TABLE 17

AVERAGE LOCAL RESOURCES AND STATE AND LOCAL REVENUE  
PER PUPIL BY CATEGORIES OF PERCENT CHICANO  
ENROLLMENT, COLORADO SCHOOL DISTRICTS,  
1973, 1974, 1975

| Percent<br>Chicano<br>Enrollment  | Resources and Revenue per Pupil (Values<br>in Parentheses exclude Denver School District) |                  |                  |                  |                        |
|-----------------------------------|-------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------------|
|                                   | EQUALIZED<br>VALUATION                                                                    | EQUALIZED<br>TAX | LOCAL<br>REVENUE | STATE<br>REVENUE | LOCAL & ST.<br>REVENUE |
| 1973<br>Significance <sup>1</sup> |                                                                                           | ** (*)           | ** (**)          | **               | ** (**)                |
| 0 - 15% Chicano                   | 17,084                                                                                    | 35.57            | 628              | 369              | 998                    |
| 15- 30% Chicano                   | 19,481 (13,184)                                                                           | 38.13 (38.58)    | 801 (546)        | 303 (384)        | 1,105 ( 930)           |
| 30- 50% Chicano                   | 15,437                                                                                    | 30.04            | 469              | 378              | 847                    |
| 50-100% Chicano                   | 10,628                                                                                    | 35.05            | 392              | 426              | 818                    |
| 1974<br>Significance              |                                                                                           | **               | **               | **               | ** (*)                 |
| 0 - 15% Chicano                   | 19,885                                                                                    | 23.99            | 491              | 623              | 1,114                  |
| 15- 30% Chicano                   | 20,393 (13,977)                                                                           | 31.50 (27.79)    | 732 (436)        | 539 (635)        | 1,271 (1,071)          |
| 30- 50% Chicano                   | 15,851                                                                                    | 22.99            | 393              | 595              | 987                    |
| 50-100% Chicano                   | 11,366                                                                                    | 25.56            | 336              | 638              | 974                    |
| 1975<br>Significance              |                                                                                           | **               | **               | **               | ** (*)                 |
| 0 - 15% Chicano                   | 22,515                                                                                    | 26.76            | 590              | 679              | 1,263                  |
| 15- 30% Chicano                   | 21,950 (14,829)                                                                           | 37.07 (31.67)    | 919 (520)        | 602 (681)        | 1,521 (1,201)          |
| 30- 50% Chicano                   | 16,512                                                                                    | 28.12            | 486              | 654              | 1,140                  |
| 50-100% Chicano                   | 12,380                                                                                    | 27.43            | 381              | 749              | 1,113                  |

1. Significance of group differences: \* = .05, \*\* = .01

Even after state equalization and state categorical aid were added, average total local-state revenue in districts with 0-15 percent Chicano enrollment were still \$139 or 1.12 times higher per pupil than predominately Chicano districts in 1975. That difference represented only a very slight decline in disparity over 1973, when low-ethnic concentration districts had \$180 more or 1.22 times the revenue of predominately Chicano districts.

Expenditures per pupil shown in Table 18 repeat the patterns found in the revenue table. That is, as Chicano concentration increases, amounts expended decrease when Denver is excluded from the computations.

Expenditure disparities in absolute dollars have tended to increase slightly over the years. Current Operating Expenses shows the greatest disparity in 1975, with a difference of \$177 per pupil between the high- and low-percentage Chicano categories. However, the importance of this increase in absolute dollar disparity is diminished if one notes that the ratio of difference between expenditures in the two categories declined slightly over the period, from 1.19 to 1.16. Note that differences for all expenditure categories are significant for all years with and without Denver.

Table 19 repeats the same analysis for all minority children-- Black, Chicano, Asian and Indian. Differences in equalized valuation among categories of percent minority enrollment are now significant for all years with and without Denver. Disparities in equalized valuation between the two extreme groups

TABLE 18

AVERAGE FEDERAL AND TOTAL REVENUE AND EXPENDITURES  
PER PUPIL BY CATEGORIES OF PERCENT CHICANO  
ENROLLMENT, COLORADO SCHOOL DISTRICTS,  
1973, 1974, 1975

| Percent<br>Chicano<br>Enrollment  | Revenue and Expenditures per Pupil (Values<br>in Parentheses exclude Denver School District) |                  |                            |                          |                         |
|-----------------------------------|----------------------------------------------------------------------------------------------|------------------|----------------------------|--------------------------|-------------------------|
|                                   | FEDERAL<br>REVENUE                                                                           | TOTAL<br>REVENUE | TEACHER SALARY<br>EXPENSES | TOTAL INSTR.<br>EXPENSES | CURRENT OP.<br>EXPENSES |
| 1973<br>Significance <sup>1</sup> | **                                                                                           | ** (**)          | ** (**)                    | ** (**)                  | ** (*)                  |
| 0 - 15% Chicano                   | 46                                                                                           | 1,044            | 529                        | 704                      | 977                     |
| 15- 30% Chicano                   | 83 (63)                                                                                      | 1,187 (993)      | 590 (485)                  | 777 (645)                | 1,103 (918)             |
| 30- 50% Chicano                   | 55                                                                                           | 902              | 488                        | 635                      | 891                     |
| 50-100% Chicano                   | 72                                                                                           | 890              | 425                        | 584                      | 822                     |
| 1974<br>Significance              | **                                                                                           | **               | ** (**)                    | ** (**)                  | ** (*)                  |
| 0 - 15% Chicano                   | 54                                                                                           | 1,168            | 581                        | 792                      | 1,112                   |
| 15- 30% Chicano                   | 89 (75)                                                                                      | 1,360 (1,146)    | 676 (537)                  | 907 (738)                | 1,283 (1,069)           |
| 30- 50% Chicano                   | 68                                                                                           | 1,056            | 530                        | 712                      | 1,003                   |
| 50-100% Chicano                   | 84                                                                                           | 1,058            | 477                        | 653                      | 965                     |
| 1975<br>Significance              | **                                                                                           | **               | ** (**)                    | ** (**)                  | ** (*)                  |
| 0 - 15% Chicano                   | 60                                                                                           | 1,329            | 646                        | 885                      | 1,265                   |
| 15- 30% Chicano                   | 106 (76)                                                                                     | 1,626 (1,277)    | 807 (607)                  | 1,085 (851)              | 1,564 (1,246)           |
| 30- 50% Chicano                   | 77                                                                                           | 1,217            | 602                        | 815                      | 1,163                   |
| 50-100% Chicano                   | 70                                                                                           | 1,200            | 535                        | 725                      | 1,088                   |

1. Significance of group differences: \* = .05, \*\* = .01

TABLE 19

AVERAGE LOCAL RESOURCES AND STATE AND LOCAL REVENUE  
PER PUPIL BY CATEGORIES OF PERCENT MINORITY  
ENROLLMENT, COLORADO SCHOOL DISTRICTS,  
1973, 1974, 1975

| Percent<br>Minority<br>Enrollment             | Resources and Revenue per Pupil (Values<br>in Parentheses exclude Denver School District) |                  |                  |                  |                        |
|-----------------------------------------------|-------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------------|
|                                               | EQUALIZED<br>VALUATION                                                                    | EQUALIZED<br>TAX | LOCAL<br>REVENUE | STATE<br>REVENUE | LOCAL & ST.<br>REVENUE |
| 1973<br>Minority<br>Significance <sup>1</sup> | ** (*)                                                                                    | ** (**)          | ** (**)          | ** (*)           | ** (**)                |
| 0 - 15% Min.                                  | 18,667                                                                                    | 34.36            | 665              | 364              | 1,029                  |
| 15- 30% Min.                                  | 12,203                                                                                    | 39.41            | 523              | 384              | 906                    |
| 30- 50% Min.                                  | 19,733 (13,748)                                                                           | 35.90 (39.41)    | 764 (455)        | 305 (388)        | 1,068 (843)            |
| 50-100% Min.                                  | 10,563                                                                                    | 33.73            | 378              | 427              | 804                    |
| 1974<br>Minority<br>Significance              | ** (**)                                                                                   | ** (**)          | ** (**)          | **               | ** (**)                |
| 0 - 15% Min.                                  | 21,967                                                                                    | 22.61            | 514              | 626              | 1,141                  |
| 15- 30% Min.                                  | 12,972                                                                                    | 28.99            | 427              | 618              | 1,045                  |
| 30- 50% Min.                                  | 20,556 (14,327)                                                                           | 29.87 (23.90)    | 705 (390)        | 528 (609)        | 1,233 (979)            |
| 50-100% Min.                                  | 11,340                                                                                    | 26.22            | 343              | 638              | 981                    |
| 1975<br>Minority<br>Significance              | ** (**)                                                                                   | ** (**)          | ** (**)          | **               | ** (**)                |
| 0 - 15% Min.                                  | 25,140                                                                                    | 25.09            | 622              | 684              | 1,307                  |
| 15- 30% Min.                                  | 13,539                                                                                    | 32.67            | 498              | 660              | 1,158                  |
| 30- 50% Min.                                  | 22,093 (15,129)                                                                           | 36.15 (29.44)    | 897 (467)        | 597 (670)        | 1,494 (1,137)          |
| 50-100% Min.                                  | 12,287                                                                                    | 26.97            | 376              | 747              | 1,123                  |

1. Significance of group differences: \* = .05, \*\* = .01

have increased steadily in absolute dollars over the three years. Amounts of local and state revenues decrease as percent minority enrollment increases where Denver is excluded. Note that for all categories in all years there was statistical significance at the .01 level. When Denver is included in the category of 30-50% minority concentration, that category has the highest level of combined state and local revenue for the three years. This indicates that Denver's large number of minority students benefit from favorable financial factors in ways that are counter to the patterns in the rest of the state.

Table 20 shows virtually the same patterns for minority enrollment as displayed previously for Chicano enrollment. Again, significance occurs in all categories for all years with and without Denver.

Table 21 repeats the same analysis for poor pupils. Predictably, the fairly even distribution of poor pupils noted earlier tends to reduce differences on equalized valuation among groups. Districts with high concentrations of poor have somewhat lower equalized property values, but the disparities range from less than \$2,000 in 1973 to over \$4,000 in 1975.

The local revenue trend follows the equalized valuation trend: local revenues available decrease as poverty concentrations increase, when Denver is excluded.

That trend is reversed with the addition of state revenue. The category with the highest concentration of poor children

TABLE 20

AVERAGE FEDERAL AND TOTAL REVENUE AND EXPENDITURES  
PER PUPIL BY CATEGORIES OF PERCENT MINORITY  
ENROLLMENT, COLORADO SCHOOL DISTRICTS,  
1973, 1974, 1975

| Percent<br>Minority<br>Enrollment             | Revenue and Expenditures per Pupil (Values<br>in Parentheses exclude Denver School District) |                  |                          |                          |                         |
|-----------------------------------------------|----------------------------------------------------------------------------------------------|------------------|--------------------------|--------------------------|-------------------------|
|                                               | FEDERAL<br>REVENUE                                                                           | TOTAL<br>REVENUE | TEACHER SAL.<br>EXPENSES | TOTAL INSTR.<br>EXPENSES | CURRENT OP.<br>EXPENSES |
| 1973<br>Minority<br>Significance <sup>1</sup> | ** (**)                                                                                      | ** (**)          | ** (**)                  | ** (**)                  | ** (**)                 |
| 0 - 15% Min.                                  | 39                                                                                           | 1,068            | 532                      | 708                      | 993                     |
| 15- 30% Min.                                  | 68                                                                                           | 975              | 507                      | 678                      | 928                     |
| 30- 50% Min.                                  | 79 (55)                                                                                      | 1,148 (898)      | 587 (477)                | 769 (627)                | 1,085 (876)             |
| 50-100% Min.                                  | 101                                                                                          | 905              | 437                      | 594                      | 834                     |
| 1974<br>Minority<br>Significance              | ** (**)                                                                                      | ** (*)           | ** (**)                  | ** (**)                  | ** (**)                 |
| 0 - 15% Min.                                  | 44                                                                                           | 1,185            | 583                      | 795                      | 1,128                   |
| 15- 30% Min.                                  | 83                                                                                           | 1,128            | 562                      | 770                      | 1,067                   |
| 30- 50% Min.                                  | 88 (72)                                                                                      | 1,322 (1,052)    | 671 (525)                | 895 (708)                | 1,253 (996)             |
| 50-100% Min.                                  | 113                                                                                          | 1,092            | 489                      | 665                      | 975                     |
| 1975<br>Minority<br>Significance              | ** (**)                                                                                      | ** (**)          | ** (**)                  | ** (**)                  | ** (**)                 |
| 0 - 15% Min.                                  | 50                                                                                           | 1,356            | 654                      | 896                      | 1,292                   |
| 15- 30% Min.                                  | 86                                                                                           | 1,244            | 617                      | 850                      | 1,201                   |
| 30- 50% Min.                                  | 108 (82)                                                                                     | 1,603 (1,219)    | 802 (594)                | 1,069 (812)              | 1,529 (1,162)           |
| 50-100% Min.                                  | 100                                                                                          | 1,223            | 545                      | 735                      | 1,095                   |

1. Significance of group differences: \* = .05, \*\* = .01

TABLE 21

AVERAGE LOCAL RESOURCES AND STATE AND LOCAL REVENUE  
PER PUPIL BY CATEGORIES OF PERCENT POOR  
ENROLLMENT, COLORADO SCHOOL DISTRICTS,  
1973, 1974, 1975

| Percent<br>Poor<br>Enrollment             | Resources and Revenues per Pupil (Values<br>in Parentheses exclude Denver School District) |                  |                  |                  |                        |
|-------------------------------------------|--------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------------|
|                                           | EQUALIZED<br>VALUATION                                                                     | EQUALIZED<br>TAX | LOCAL<br>REVENUE | STATE<br>REVENUE | LOCAL & ST.<br>REVENUE |
| 1973<br>Poor<br>Significance <sup>1</sup> |                                                                                            |                  | **               | **               |                        |
| 0 - 15% Poor                              | 16,536                                                                                     | 35.75            | 615              | 371              | 986                    |
| 15- 30% Poor                              | 19,422 (15,627)                                                                            | 36.20 (34.89)    | 748 (552)        | 315 (372)        | 1,063 (924)            |
| 30- 50% Poor                              | 15,908                                                                                     | 31.14            | 518              | 421              | 940                    |
| 50-100% Poor                              | 14,924                                                                                     | 34.30            | 538              | 420              | 958                    |
| 1974<br>Poor<br>Significance              |                                                                                            | **               | **               | **               | **                     |
| 0 - 15% Poor                              | 19,344                                                                                     | 23.94            | 473              | 625              | 1,098                  |
| 15- 30% Poor                              | 20,250 (16,315)                                                                            | 29.41 (25.51)    | 680 (461)        | 547 (610)        | 1,227 (1,072)          |
| 30- 50% Poor                              | 16,378                                                                                     | 27.63            | 512              | 615              | 1,127                  |
| 50-100% Poor                              | 16,223                                                                                     | 27.23            | 498              | 693              | 1,190                  |
| 1975<br>Poor<br>Significance              |                                                                                            | **               | **               | **               | **                     |
| 0 - 15% Poor                              | 22,047                                                                                     | 27.02            | 578              | 679              | 1,257                  |
| 15- 30% Poor                              | 21,547 (16,980)                                                                            | 34.40 (29.00)    | 838 (536)        | 613 (669)        | 1,451 (1,204)          |
| 30- 50% Poor                              | 16,387                                                                                     | 28.66            | 532              | 711              | 1,243                  |
| 50-100% Poor                              | 17,737                                                                                     | 28.25            | 555              | 755              | 1,310                  |

1. Significance of group differences: \* = .05, \*\* = .01

had the highest combined state and local revenue in 1974 and 1975.

Table 22 illustrates the disparities in total revenue and expenditures by poverty concentration. There is no clear consistent relationship between total revenue and percent poor in any of the three years. In each year, the 15-30% poor category had the highest total revenue per pupil primarily because Denver is included in that category.

Correlation coefficients were calculated to provide a more succinct summary of the relationships between the school finance variables and percent ethnic and poverty concentration over time. Table 23 presents these correlations for the state as a whole and for all districts excluding Denver (in parentheses).

Between 1973 and 1975 there was an increasing negative correlation between property wealth and the percent Chicano, minority and poor. That is, there is an increasing tendency toward the pattern of the greater the percent Chicano minority or poor pupils enrolled, the less the property tax base. This may indicate that Chicanos and poor children were living in districts with relatively slower growth rates in property wealth. Districts with greater minority group and poverty concentrations also are more likely to have higher tax rates after the reform than are districts with lower percentages of these students.

Even with greater tax rates, however, the high percent minority districts do not always raise more local revenue per pupil. Denver has a clear effect on the results of the analysis. If Denver is excluded, the higher the percent minority or Chicano students enrolled, the lower the amount of local revenue generated.

TABLE 22

AVERAGE FEDERAL AND TOTAL REVENUE AND EXPENDITURES  
PER PUPIL BY CATEGORIES OF PERCENT POOR  
ENROLLMENT, COLORADO SCHOOL DISTRICTS,  
1973, 1974, 1975

| Percent<br>Poor<br>Enrollment             | Revenue and Expenditures per Pupil (Values<br>in Parentheses exclude Denver School District) |                  |                          |                          |                         |
|-------------------------------------------|----------------------------------------------------------------------------------------------|------------------|--------------------------|--------------------------|-------------------------|
|                                           | FEDERAL<br>REVENUE                                                                           | TOTAL<br>REVENUE | TEACHER SAL.<br>EXPENSES | TOTAL INSTR.<br>EXPENSES | CURRENT OP.<br>EXPENSES |
| 1973<br>Poor<br>Significance <sup>1</sup> | **                                                                                           | *                | **                       | **                       | **                      |
| 0 - 15% Poor                              | 48                                                                                           | 1,034            | 523                      | 700                      | 966                     |
| 15- 30% Poor                              | 71 (49)                                                                                      | 1,133 (973)      | 576 (501)                | 752 (653)                | 1,071 (935)             |
| 30- 50% Poor                              | 97                                                                                           | 1,036            | 488                      | 651                      | 958                     |
| 50-100% Poor                              | 33                                                                                           | 990              | 441                      | 576                      | 874                     |
| 1974<br>Poor<br>Significance              | *                                                                                            | **               | **                       | ** (**)                  | **                      |
| 0 - 15% Poor                              | 56                                                                                           | 1,154            | 577                      | 790                      | 1,104                   |
| 15- 30% Poor                              | 78 (61)                                                                                      | 1,305 (1,133)    | 649 (545)                | 865 (729)                | 1,228 (1,055)           |
| 30- 50% Poor                              | 111                                                                                          | 1,238            | 535                      | 726                      | 1,110                   |
| 50-100% Poor                              | 24                                                                                           | 1,214            | 521                      | 676                      | 1,083                   |
| 1975<br>Poor<br>Significance              | **                                                                                           | **               | **                       | ** (*)                   | **                      |
| 0 - 15% Poor                              | 61                                                                                           | 1,318            | 645                      | 887                      | 1,262                   |
| 15- 30% Poor                              | 94 (67)                                                                                      | 1,545 (1,271)    | 762 (607)                | 1,017 (823)              | 1,471 (1,206)           |
| 30- 50% Poor                              | 96                                                                                           | 1,339            | 589                      | 796                      | 1,227                   |
| 50-100% Poor                              | 45                                                                                           | 1,355            | 592                      | 777                      | 1,206                   |

1. Significance of group differences: \* = .05, \*\* = .01

Excluding Denver, state aid prior to the reform in Colorado was distributed in a manner which benefited districts with high concentrations of Chicano, minority and poor children. After the reform, districts with high percentages of these students were not favored under the new system of state aid allocations. The net result was that there remained an inverse relationship between percent Chicano, minority and poor students and the amount of revenue available for education.

Federal revenue has the effect of equalizing the disparities among districts of different ethnic composition by providing additional dollars for districts with high concentrations of poor and minority students. But the amount of federal aid is not sufficient to offset the disparities found by percent Chicano enrollment. With the exclusion of Denver, districts with high percent Chicano pupil enrollments have less total revenue available for education than districts with lower percent Chicano pupils.

A regression analysis was performed to determine how much variance in state and local revenue could be predicted by the following variables: district wealth, ethnic composition, poverty composition, and geographic locale. Table 24 presents the results of the multiple stepwise regression analysis for all three years computed, using both pupil (weighted) and district (unweighted) correlations.

Over half of the variance in state and local revenue can be explained by the combination of the predictor variables. Clearly, district wealth is the strongest single predictor, and

TABLE 23

PEARSON CORRELATIONS RELATING SCHOOL FINANCE VARIABLES  
WITH PERCENT CHICANO, MINORITY, AND POOR WEIGHTED  
BY ADAE (AND EXCLUDING DENVER IN PARENTHESES) FOR COLORADO  
SCHOOL DISTRICTS: 1973, 1974, 1975

| School Finance Variables        | Percent Chicano | Percent Minority | Percent Poor   |
|---------------------------------|-----------------|------------------|----------------|
| Equalized Valuation Per Pupil   |                 |                  |                |
| 1973                            | .06 (-.17)      | .00 (-.23)**     | .07 (-.06)     |
| 1974                            | -.16 (-.25)**   | -.11 (-.32)**    | -.04 (-.14)    |
| 1975                            | -.22* (-.30)**  | -.17 (-.37)**    | -.11 (-.20)*   |
| Equalized Tax Rate              |                 |                  |                |
| 1973                            | .03 (-.01)      | .07 (-.004)      | .02 (-.04)     |
| 1974                            | .28** (.13)     | .44** (.19)*     | .43** (.27)**  |
| 1975                            | .37** (.18)     | .53** (.26)**    | .40** (.22)*   |
| Local Revenue Per Pupil         |                 |                  |                |
| 1973                            | .04 (-.33)**    | .14 (-.41)**     | .15 (-.17)     |
| 1974                            | .07 (-.23)*     | .26** (-.29)**   | .30** (.005)   |
| 1975                            | .08 (-.30)**    | .30** (-.36)**   | .25** (-.09)   |
| State Equalization Per Pupil    |                 |                  |                |
| 1973                            | -.12 (.11)      | -.25** (.20)**   | -.34** (-.11)  |
| 1974                            | -.14 (.04)      | -.26** (.08)     | -.39** (-.22)* |
| 1975                            | -.13 (.09)      | -.27** (.12)     | -.36** (-.18)* |
| Total State Revenue Per Pupil   |                 |                  |                |
| 1973                            | -.10 (.21)*     | -.30** (.27)**   | -.21* (.14)    |
| 1974                            | -.17 (.01)      | -.32** (.02)     | -.28** (-.06)  |
| 1975                            | -.10 (.08)      | -.24** (.07)     | -.20* (-.03)   |
| State & Local Revenue Per Pupil |                 |                  |                |
| 1973                            | -.08 (-.32)**   | .07 (-.40)**     | .11 (-.16)     |
| 1974                            | .00 (-.27)**    | .17 (-.33)**     | .23** (-.03)   |
| 1975                            | .06 (-.32)**    | .26** (-.38)**   | .22* (-.13)    |
| Federal Revenue Per Pupil       |                 |                  |                |
| 1973                            | .24** (.12)     | .43** (.26)**    | .29** (.15)    |
| 1974                            | .22* (.14)      | .40** (.30)**    | .27** (.17)    |
| 1975                            | .29** (.14)     | .51** (.32)**    | .33** (.18)    |
| Total Revenue Per Pupil         |                 |                  |                |
| 1973                            | -.02 (-.30)**   | .17 (-.34)**     | .17 (-.12)     |
| 1974                            | .06 (-.23)*     | .26** (-.24)**   | .30** (.02)    |
| 1975                            | .11 (-.29)**    | .38** (-.31)**   | .27** (-.08)   |

Significance:

\* = .01 to .001

\*\* = less than .001

accounts for the majority of the explained variance. Ethnic composition is a smaller, but significant contribution in the weighted calculations, and poverty composition makes a small contribution to the prediction in the unweighted case.

The results of these analyses would seem to indicate that wealth disparities are far more significant than, and to a great degree responsible for, ethnic and income group disparities in the school finance structure of Colorado. The solution to great property wealth (and hence local revenue) disparities will be the solution to much of the ethnic and income inequities. The solution to wealth discrimination, however, was clearly not found in the 1973 reform in Colorado.

TABLE 24

MULTIPLE STEPWISE REGRESSION ANALYSIS WEIGHTED BY ADAE  
(AND UNWEIGHTED IN PARENTHESES) OF LOCAL AND STATE  
REVENUE AS PREDICTED BY DISTRICT WEALTH, ETHNIC  
AND POVERTY COMPOSITION, AND LOCALE FOR  
COLORADO SCHOOL DISTRICTS: 1973, 1974, 1975

| Predictor Variables                                                                     | Percent of Variance in Local<br>and State Revenue<br>Explained by Predictor Variables |           |           |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                         | 1973                                                                                  | 1974      | 1975      |
| Variance Explained by<br>District Wealth<br>(Equalized Valuation<br>Per Pupil)          | 31% (54%)                                                                             | 35% (48%) | 43% (46%) |
| Additional Variance<br>Explained by Ethnic<br>Composition (% Chicano<br>and % Minority) | 25% ( 1%)                                                                             | 15% ( 2%) | 7% ( 2%)  |
| Additional Variance<br>Explained by Poverty<br>Composition (% Poor)                     | 2% ( 4%)                                                                              | 3% ( 7%)  | 0% ( 6%)  |
| Additional Variance<br>Explained by Locale<br>(Urban, Suburban, Non-<br>Metropolitan)   | 1% ( 0%)                                                                              | 1% ( 0%)  | 2% ( 0%)  |
| Total Variance Explained<br>by All Above Variables                                      | 59% (59%)                                                                             | 54% (57%) | 52% (54%) |

SUMMARY OF CHANGES IN SCHOOL FINANCE MEASURES BEFORE  
AND AFTER THE 1973 LEGISLATION

What can be said about the effect of the 1973 legislation on school finance in Colorado? To what extent has the current legislation equalized the educational burden for all children in the state? Table 25 illustrates the percent of total revenue received by school districts from local, state, and federal sources in 1973, 1974 and 1975. It then illustrates the percent of total revenue received from these sources for low-wealth and high-wealth districts. The 1973 data represent a full year of data prior to the 1973 Act taking effect. The 1975 data represents a full year under the legislation. The 1974 data cover the transition period. Turning our attention to the statewide averages for all districts, the most striking change is that the state has increased its contribution to the state-local mix by some 15 percentage points, making the state share slightly greater than the local contribution as a result of the law. Federal share of total revenue has remained the same. Directing our attention to the section on the low-wealth districts (arbitrarily defined here as those districts having an EVALP of less than \$10,000) we see that the state share has been increased by 16% and the local share has decreased by 15%. High-wealth districts (having EVALP of greater than \$40,000) have also enjoyed an increase in state revenue of 7% and a decrease in local revenue of 6% over the three-year period.

TABLE 25

PERCENT OF TOTAL REVENUE RECEIVED FROM LOCAL,  
STATE, AND FEDERAL SOURCES FOR COLORADO  
SCHOOL DISTRICTS: 1973, 1974, 1975

Statewide Averages for All Districts

|                 | 1973 | 1974 | 1975 |
|-----------------|------|------|------|
| Local Revenue   | 62%  | 45%  | 47%  |
| State Revenue   | 33%  | 50%  | 48%  |
| Federal Revenue | 5%   | 5%   | 5%   |

Average for Poorest Districts  
(Under \$10,000 Equalized Valuation Per Pupil)

|                 | 1973 | 1974 | 1975 |
|-----------------|------|------|------|
| Local Revenue   | 39%  | 22%  | 24%  |
| State Revenue   | 50%  | 67%  | 66%  |
| Federal Revenue | 11%  | 11%  | 10%  |

Average for Wealthiest Districts  
(Over \$40,000 Equalized Valuation Per Pupil)

|                 | 1973 | 1974 | 1975 |
|-----------------|------|------|------|
| Local Revenue   | 77%  | 68%  | 71%  |
| State Revenue   | 19%  | 28%  | 26%  |
| Federal Revenue | 4%   | 4%   | 3%   |

The potentially equalizing effect of increased state aid to property-poor districts was partially undercut by aid increases to property-rich districts which benefited from the minimum guarantee provisions of the law. Unfortunately, the intent of the law was to guarantee property tax relief to all districts, rather than to equalize educational revenue.

After examining general differences before and after the current act, it makes sense to look at mean differences among the ethnic/income groups to determine whether these differences have increased or decreased since 1973. Referring back to the analysis of ethnic, income, and geographic group means in Table 11, the general pattern which seems to emerge over the three years is one of increasing disparities, but in different directions depending on the geographic area. For urban areas in 1973, the Chicano mean for state and local revenue was \$12 higher than the Anglo mean (primarily due to Denver). By 1975, this Chicano advantage increased to \$68. On the other hand, in non-metropolitan areas, Anglos averaged \$72 more state and local revenue per pupil than Chicanos. By 1975, this Anglo advantage increased to \$81.

To determine what effect the 1973 legislation might have had on the distribution of ethnic and income groups along the continuum of districts from low to high revenue, a quintile analysis was performed. First, all districts were rank ordered from the district with the lowest state and local revenue per pupil to the district with the highest revenue. This ranking was divided into fifths (quintiles) with 20% of all pupils in each group. If no fiscal inequities were occurring, 20% of each

ethnic and income group should be included in each quintile. Table 26 presents the data from this analysis for 1973, 1974 and 1975.

The most striking finding is that there are a disproportionately high percentage of Chicanos, minorities and poor in both the lowest and the highest quintiles. Three-fifths of the Chicano, minority, and poor pupils are included in these two quintiles. The large percentage in the bottom quintile represents greater Chicano and poor concentrations in primarily rural districts with very low property wealth. The large percentage in the top revenue quintile is primarily influenced by the large number of minority and poor pupils in Denver - a district with high total revenue per pupil. Some districts with high proportions of poor, Chicano or other minority pupils reaped some of the benefits from the 1973 reform as indicated by the increases in the proportion of these students in the highest revenue quintile.

If the 1973 legislation had resulted in truly equalizing the combined state and local revenue per pupil (as opposed to equalizing the tax power of districts), the distribution of Chicano, minority and poor pupils across the quintiles by 1975 would be more even. This is clearly not the case. The major effect between 1973 and 1975 is a movement of each of these groups from the fourth quintile to both the third and the fifth quintiles. This is another illustration of the difference between the school finance patterns in Denver (indicated by the high percentage of minority and poor in the fifth quintile)

TABLE 26

DISTRIBUTION OF ETHNIC AND POOR PUPILS  
BY QUINTILES OF STATE AND LOCAL  
REVENUE PER PUPIL

|                          | Quintiles of State and Local Revenue Per Pupil |     |     |     |          | TOTAL |
|--------------------------|------------------------------------------------|-----|-----|-----|----------|-------|
|                          | Low 1st                                        | 2nd | 3rd | 4th | 5th High |       |
| Percent of All Pupils    | 20%                                            | 20% | 20% | 20% | 20%      | 100%  |
| Number of Districts 1973 | 39                                             | 27  | 9   | 49  | 57       | 181   |
| Number of Districts 1974 | 35                                             | 22  | 24  | 34  | 66       | 181   |
| Number of Districts 1975 | 42                                             | 20  | 22  | 31  | 66       | 181   |
| Percent of Chicanos 1973 | 32%                                            | 19% | 10% | 15% | 24%      | 100%  |
| Percent of Chicanos 1974 | 32%                                            | 21% | 14% | 5%  | 28%      | 100%  |
| Percent of Chicanos 1975 | 31%                                            | 20% | 13% | 8%  | 28%      | 100%  |
| Percent of Minority 1973 | 28%                                            | 17% | 9%  | 16% | 30%      | 100%  |
| Percent of Minority 1974 | 28%                                            | 19% | 13% | 5%  | 35%      | 100%  |
| Percent of Minority 1975 | 27%                                            | 18% | 12% | 7%  | 36%      | 100%  |
| Percent of Poor 1973     | 27%                                            | 20% | 10% | 19% | 24%      | 100%  |
| Percent of Poor 1974     | 25%                                            | 21% | 16% | 8%  | 30%      | 100%  |
| Percent of Poor 1975     | 27%                                            | 18% | 14% | 11% | 30%      | 100%  |

and the school finance patterns in the rest of the state (indicated by the high percentage of minority and poor in the lower quintiles).

## CONCLUSIONS

This report has analyzed the impact of school finance variables on selected groups of students. A brief summary of the findings are listed below:

1. There is enormous variability in district wealth within Colorado.
2. The unequal wealth distribution results in great variability in local revenue raised despite higher tax effort by low-wealth districts.
3. Inequality in local revenue raising ability is only partially compensated for by state equalization monies.
4. The distribution of minority and poor pupils is disproportionately high in rural areas and in central cities. Fewer minority and poor pupils reside in suburban districts.
5. The two concentrations of minority and poor pupils (central city and rural) have different school finance characteristics. In the rural areas, the minority pupils tend to reside in the lower wealth districts while Anglos tend to reside in the higher wealth districts. Therefore, in rural areas, Chicanos averaged \$73 less total revenue per pupil than Anglos in 1975. Among the central-city districts, most minorities live in

Denver, which has the highest equalized urban property values. Therefore, among central-city districts, Chicanos averaged \$46 more total revenue per pupil than Anglos in 1975.

6. Statewide, there are significant financial disparities associated with the minority concentration of school districts. Districts with less than 15% minority students average approximately \$200.00 more state and local revenue per pupil than do districts with more than half minority enrollment.
7. The Colorado School Finance Act of 1973 significantly increased the state contribution to education. The state equalization program has, in some cases, resulted in slight reduction of disparities in revenue and expenditure from 1973 to 1975. Improvements have, however, been quite limited due to the continuing increases in local revenue disparities. The differential patterns of school finance variables between urban and rural areas for minority and poor pupils remains unchanged.